

Scheme of Assistance for Private Sector Housing

1.0 EXECUTIVE SUMMARY

- 1.1. This report is to seek Member's approval for a revised Scheme of Assistance for private sector housing. Section 72 of the Housing (Scotland) Act 2006 requires that a local authority prepare and make publicly available a Scheme of Assistance for private sector home owners to adapt and repair private housing.
- 1.2. There is a requirement that the Scheme of Assistance is reviewed periodically. The Council previously approved a Scheme of Assistance in 2010. This revision takes account of the condition of private sector housing in Argyll and Bute; the economic climate and the overarching aim of the Single Outcome Agreement to grow the population and stimulate economic activity.
- 1.3. Most importantly it reflects the requirements of the Public Bodies (Joint Working) (Scotland) Act 2014 which requires Health Boards and Local Authorities to integrate health and social care services. Responsibility for adaptations will transfer to the new Integrated Body.
- 1.4. This report summarises the changes from the existing scheme. It provides updated information and advice priorities; proposes changes to the financial assistance available and clarifies the Council's position on enforcement action.

1.5 RECOMMENDATION

It is recommended that the Community Services Committee approve the revised Scheme of Assistance.

The proposed Scheme of Assistance will be referred to the Shadow Integrated Joint Board for information.

SCHEME OF ASSISTANCE FOR PRIVATE SECTOR HOUSING

2.0 INTRODUCTION

- 2.1 **Legislative requirements.** Section 72 of the Housing (Scotland) Act requires that a local authority prepare and make publicly available a Scheme of Assistance for private sector home owners. Section 85 of the Housing (Scotland) Act 1987 states that it is the duty of every local authority to ensure that all houses in their district which do not meet the tolerable standard are closed, demolished or brought up to the tolerable standard within such period as is reasonable in all the circumstances.
- 2.2 The Public Bodies (Joint Working) (Scotland) Act 2014 which requires Health Boards and Local Authorities to integrate health and social care services incorporates provisions which shift responsibility for adaptations to the new Integrated Body.
- 2.3 Members will recall that a report to the Community Services Committee in May 2014 highlighted the issues around support to private homeowners who have common repair responsibilities with social landlords. A recommendation of that report was that a future report would bring forward proposals around enforcement action and this has now been incorporated into the revised Scheme of Assistance.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Community Services Committee approve the revised Scheme of Assistance.

The proposed Scheme of Assistance will be referred to the Shadow Integrated Joint Board for information.

4.0 DETAIL

- 4.1 **Strategic Fit.** The proposed revisions to the Scheme of Assistance take into account the strategic vision agreed for the Local Housing Strategy 2011 – 2016:

“To realise the potential of our communities, by ensuring that people have access to affordable, sufficient and suitable housing”.

The quality of the built environment in our towns and villages is directly affected by the quality and condition of private housing. This is particularly evident in town centres where there are significant challenges associated with multiple

ownership and common repair and maintenance responsibilities.

4.2 The revised Scheme of Assistance has been broadened to incorporate Empty Homes Grants and Energy Efficiency Grants. It therefore outlines the actions to be taken to improve the suitability of private sector housing specifically with regard to;

- Adaptations to suit disabled people
- Condition, disrepair and regeneration
- Empty Homes
- Energy efficiency

4.3 There are four Key Elements of the Scheme of Assistance.

4.3.1 **Enhanced Information and Advice.** Through the implementation of the current Scheme of Assistance it has become evident that good quality information and advice together with an effective communication strategy, is key to changing the culture of home owners to encourage them to take responsibility for the maintenance of their properties. Consequently new priorities have been set for information and advisory activities including a more proactive engagement strategy. Details can be found at page 6 of the Scheme of Assistance appended to this report.

4.3.2 **Practical Assistance.** The Housing Service and Argyll and Bute Care and Repair provide practical assistance to homeowners and private tenants. Support is provided to establish owners associations; surveying buildings and preparing works programmes to address repair issues. It is also available for energy efficiency and fuel poverty matters from a number of partner agencies which is enhanced by the recent appointment of a dedicated Housing Officer Energy Efficiency and tied into ongoing HEEPSABS (Home Energy efficiency Programme Scotland – Area Based Scheme) activity.

4.3.3 **Financial Assistance**

Repair Grants. Grants for adaptations and repairs are funded from the Private Sector Housing Grant. Changes proposed for Repair Grants are explained in the table below. The reason for the proposed change to the Repair Grant is because disregarding the first £5,000 of the repair costs is proving to be a barrier to owners to participate in common repair schemes. Also the equity assessment is confusing and prolongs the process. Therefore, based on experience, the proposal is to reduce the grant to 40% of cost of work: 60% to be paid by owners and an upper limit of £10,000 for owners and £7,500 for landlords with strict grant conditions applied to private rented tenancies. See Table 1 below.

Empty Homes. Empty Homes grants are funded from the Strategic Housing Fund and in November 2014 Members identified a sum of £0.5m for empty homes grants and 110k for loans. An alternative approach to grants for long term empty homes is proposed as the uptake on the previously agreed empty homes scheme has been very small with only one proposal currently being developed. There are a number of reasons for this: it requires a long term commitment from owners; legal requirements are protracted and complex and

proposed schemes have proved unviable for either the RSL or the owner due to the level of repairs required.

Table 1: Proposed changes to financial assistance

	Existing Scheme of Assistance	Proposed
<p>Repair Grant Type 2</p> <p>Discretionary grant for common repair work in tenements</p>	<p>First £5000 disregarded</p> <p>50% thereafter up to £10,000</p> <p>Hardship assessment on equity, savings and income up to 75% up to £15,000</p>	<p>Grant of 40% up to £10,000 for owner occupiers</p> <p>Grant of 30% up to £7,500 for landlords/business premises</p>
<p>Repair Grant Type 3</p> <p>Discretionary grant for empty homes to be used for owner occupation or let as private rented accommodation</p>	<p>New Proposal</p>	<p>Grant of 40% up to £10,000 for owner occupiers</p> <p>Grant of 30% up to £7,500 for landlord/developers</p> <p>See appendix III of scheme of assistance</p>

4.3.4 Enforcement Action Policy

The section on enforcement action, clarifies the case by case analysis which will be followed, when making decisions on whether or not to force owners to carry out work. When considering enforcement action there is a need to balance the need to maintain housing conditions and assist owners with common repair responsibilities against risk for the Council. Such action requires;

- The service of legal notices
- The Council paying the cost of works
- Recovery of costs, fees and interest from the owner
- Recording repayment charges on titles

Enforcement involves an inherent risk that costs incurred by the Council may not be recovered for whatever reason. The costs associated with this type of action can be significant for example; the Council will incur £58,616 expenditure to meet the cost of four owners' contributions for the recent refurbishment project of 48 flats at Maitland Court in Helensburgh. There are 22 RSL tenants and 26 private owners. Since 2010, including Maitland Court, 12 works notices have been enforced and £104,723 is the balance outstanding.

There is also the risk that small businesses liability for common building repairs could lead to business closure. Enforcement of works is set out as an action of last resort.

5.0 CONCLUSION

5.1 While private homes are the exclusive responsibility of private owners the Council is required to address housing needs and demand in the Local Housing Strategy. Unsuitability of the private stock can have a negative

impact by increasing demand for alternative housing.

- 5.2 Ensuring houses are adapted to meet the needs of an ageing population and that the built environment adds to the attractiveness of Argyll and Bute as a place to live, work, and invest, is a key part of the Local Housing Strategy.
- 5.3 It is also recognised that considerable challenges remain to ensure the private tenement stock continues to provide suitable housing and is not lost through disrepair and dilapidation, creates blight in our towns and villages or adds pressure on Council resources by other statutory interventions e.g. dangerous buildings.

6.0 IMPLICATIONS

- 6.1 **Policy:** Creates a comprehensive Scheme of Assistance for private sector housing by combining assistance from Private Sector Housing Grant, Empty Homes and Home Energy funding in the one document.
- 6.2 **Financial:** No new funding required to implement the proposals from Private Sector Housing Grant or Home Energy Efficiency Programme Scotland Area Based Scheme. A separate report was submitted in November 2014 extending the Empty Homes funding from the Strategic Housing Fund.
- 6.3 **Legal:** Provisions for the Scheme of Assistance and the accompanying actions are set out in the Housing (Scotland) Act 2006
- 6.4 **HR:** None
- 6.5 **Equalities:** The proposals are consistent with aims and objectives set out in the local housing strategy which has been subject to an EQIA
- 6.6 **Risk:** Risks to the Council are anticipated from the failure of owners to act resulting in statutory action required for sub-standard housing, dangerous buildings or similar. Difficulty in recovering costs of enforcement action.
- 6.7 **Customer Service.** The revisions will simply and clarify services to the public.

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