**APPENDIX 1** 

# **Darlington Borough Council**

# Private Sector Housing Renewal Strategy

| <u>Index</u><br>Chapter One - Introduction                               | <u>Page</u><br>3 |
|--|------------------|
| Chapter Two – Change Drivers   | 4                |
| National   | 4                |
| Housing Act 2004   | 4                |
| Regulatory Reform (Housing Assistance) Order<br>(England and Wales) 2002 | 5                |
| Housing Public Service Agreement (PSA) Target 7                          | 5                |
| Regional   |                  |
| North East Regional Housing Strategy                                     | 6                |
| Sub-Regional   |                  |
| Sub-Regional Housing Strategy  | 6                |
| Chapter Three – Local Issues   | 7                |
| Private Sector Housing Conditions in Darlington                          |                  |
| Chapter Four – Darlington Issues in Context                              | 9                |
| Population Demographics  | 9                |
| Older residents  | 9                |
| Household Composition  | 11               |
| Household Projections by Household Type                                  | 11               |
| Housing Tenure   | 12               |
| Housing Type and Age   | 12               |
| Socio Economic Circumstance  | 14               |
| Average Rent Levels  | 15               |
| Disability and Long-Term Ill Health                                      | 16               |
| <b>Chapter Five – Licensing and Enforcement Issues</b>                   | 17               |
| Mandatory Licensing  | 17               |
| Additional and Selective Licensing                                       | 17               |
| Housing Health and Safety Rating System                                  | 18               |
| Empty Properties   | 19               |
| Chapter Six - Private Landlords  | 20               |
| Landlord Accreditation Scheme and Landlords' Forum                       | 20               |
| Consultation Undertaken  | 20               |
| Chapter Seven – Financial Assistance Policy                              | 21               |
| Chapter Eight – Priorities for Action                                    | 23               |
| Priorities for Action  | 25               |
| Housing Renewal Strategy Action Plan                                     | 27               |
| Appendix 1 – Houses in Multiple Occupation (Definition)                  | 27               |
| Appendix 2 – Housing Act 2004 Private Landlords' Questionnaire           | 28               |
| Appendix 2 – Action Plan   | 34               |
| Bibliography   | 35               |
| Index of Tables  | 36               |

# **Chapter One**

# Introduction

According to Government guidelines published in 2004 and updated in 2006<sup>1</sup>, a decent home is one which;

- Meets the current statutory minimum standard for housing
- Is in a reasonable state of repair
- Has reasonably modern facilities and services
- Provides a reasonable degree of thermal comfort (related to insulation and heating efficiency)

It is widely recognised that poor quality housing can have an impact on the health and well being of its occupants, leaving them at risk of becoming excluded from the social and economic life of our community. The Acheson enquiry into health inequalities highlighted the links between poor quality accommodation and increased risk of accidents and illnesses such as asthma and hypothermia (this risk being exacerbated by fuel poverty)<sup>2</sup>. Concentration of poor housing can undermine the sustainability of the neighbourhoods in which they are located. In the Government's Housing Green Paper *Housing: Quality and Choice: A Decent Home for All* (2000) it highlights the 'strong associations between poor housing and poverty, deprivation, crime, educational underachievement and ill health'.

The previous Private Sector Housing Renewal Strategy was published in 2003, but now needs to be updated in the light of several major legislative changes arising from the Housing Act 2004, the Regulatory Reform (Housing Assistance) Order (England and Wales) 2002 and the extension of the Government's Public Service Agreement (PSA) 7 to cover an increase in the number of vulnerable households in the public sector living in decent homes. This provides a major opportunity for the Council to contribute to the Government's overall strategies to tackle fuel poverty, social exclusion, health inequalities and neighbourhood decline.

The purpose of this strategy is to set out how Darlington Borough Council aims to tackle the issues of private sector housing renewal within the Borough and thus improve the lives of our most vulnerable residents. It forms an integral part of the Council's overall Housing Strategy and has been developed to reflect local, regional and national policies. It supports and further progresses the four visionary goals of the Darlington Community Strategy, in particular the aims of providing 'a place for living safely and well' and 'a high quality environment with excellent communication links' through targeted interventions aimed at improving housing conditions within the private sector.

The Private Sector Housing Strategy has been Equality impact assessed to determine the level of accessibility all members of the local community have to the range of Financial Assistance options. The policy of offering interest bearing loans was initially thought to be restrictive for elements of the Muslim community on the basis of religion. Following consultation with Northern Counties Housing Association who have a track record of delivering such services in a multi-cultural environment, it was seen not to unduly disadvantage the Muslim community. However, the position will be monitored and alternatives such as appreciation-based loans could be considered if necessary.

<sup>&</sup>lt;sup>1</sup> Department for Communities and Local Government: *A Decent Home: Definition and Guidance for Implementation June 2006 Update* 

<sup>&</sup>lt;sup>2</sup> Independent Inquiry into Inequalities in Health Report – Sir Donald Acheson 1998

# <u>Chapter Two – Change Drivers</u>

There are currently a number of national, regional, sub-regional and local factors driving change within private sector housing renewal and influencing the development of strategies. These are considered in further detail below.

# <u>National</u>

# Housing Act 2004

The Housing Act 2004 introduced wide-ranging measures of reform that will help the most vulnerable<sup>3</sup> whilst also creating a fairer housing market for those who own, rent or let residential property. It will also assist in meeting the Government's 2010 Decent Homes Target. Below is a summary of the main provisions of the Act<sup>4</sup>;

- Mandatory licensing of large, high-risk Houses in Multiple Occupation (HMOs) and discretionary powers to licence some smaller, multiple-occupied properties
- The introduction of the new Housing Health and Safety Rating System (HHSRS) which replaces the Housing Fitness Standard. This will help local authorities to target those properties in the worst condition, often housing some of the most vulnerable people.
- The power for local authorities to selectively licence private landlords and therefore tackle low housing demand and issues of anti-social behaviour
- Allowing local authorities to make Interim Management Orders (for HMOs) where the management regulations and property conditions are found to be inappropriate after initial enforcement action, or;
- Special Interim Management Orders for any privately rented property where anti-social behaviour has been highlighted as a persistent issue and remedial action has not been successful, or;
- Empty Dwelling Management Orders where a property has been vacant for 6 months or more (allowing for certain conditions)
- Changes to the Right to Buy Scheme; extending the qualifying period for Right to Buy from two to five years and extending from three to five years the period during which the discount must be repaid when the property is resold
- The introduction of a tenancy deposit protection scheme by which any monies paid in the form of a bond must be paid into a Government scheme until such time as the tenant moves from the property
- Residential Property Tribunals will have the power to impose a Rent Repayment Order (RRO) where a landlord has received Housing Benefit for tenants living in a property which should reasonably be licensed but is not.

<sup>&</sup>lt;sup>3</sup> Vulnerability Definitions under Decent Homes Guidance available from

http://www.communities.gov.uk/pub/191/ADecentHomeDefinitionandguidanceforimplementationJune2006update\_id1152191.pdf <sup>4</sup> A full copy of the Act and its provisions can be downloaded from the website http://www.opsi.gov.uk/acts/acts/2004/20040034.htm

- The requirement to update statutory overcrowding provisions
- Extension of Disabled Facilities Grants (DFGs) to people occupying caravans as their only or main residence

# Regulatory Reform (Housing Assistance) Order (England and Wales) 2002

The introduction of the Regulatory Reform Order, which became law on 18th July 2002, removed the highly prescriptive rules relating to home improvement grants, replacing them with a general power to provide assistance for housing renewal. This new system gives local authorities broad discretionary powers to adopt policies tailored to local housing needs and priorities targeted at the most vulnerable members of our society, helping them to repair, renovate or adapt their homes, which otherwise they could not afford to do.

Local authorities now have greater flexibility and are able to set eligibility criteria, decide whether to perform means testing and the type of assistance available. The use of this new power is subject to local authorities formulating and publishing a new policy setting out how it intends to administer financial assistance. Darlington Borough Council produced a new policy for financial assistance in 2006 and this is considered in more detail on page 21.

# Public Service Agreement (PSA) Target 7

According to the 2001 English House Condition Survey, only 57% of vulnerable people living in the private sector in England lived in a home that would be classified as decent; 25.9% of all private sector properties in the North East were identified as potentially failing the Decent Homes Standard<sup>5</sup>. Failure to provide an adequate degree of thermal comfort was, and remains<sup>6</sup>, the main reason for dwellings failing to meet the standard.

As part of the Government's 2002 spending review (SR2002) it was agreed that a target would be set to increase the number of decent properties within the private sector to 65% by 2006, 70% by 2010 and 75% by  $2020^{7}$ .

Such key groups, which local authorities will consider as 'vulnerable' and therefore a priority, are

- Families with children
- Households of older people beyond working age
- Those suffering long-term illness and disability

The new powers to provide assistance through the Housing Act and the provision of a new Financial Assistance Policy will be the key drivers in assisting Darlington Borough Council in raising standards in private sector housing locally and also contributing to national targets.

<sup>&</sup>lt;sup>5</sup> A report into the English House Conditions Survey 2001 is available from the Department for Communities and Local Government website at <u>http://www.communities.gov.uk/</u>

<sup>&</sup>lt;sup>6</sup> English House Conditions Survey Headline Report 2004 available to download from <u>http://www.communities.gov.uk</u>

<sup>&</sup>lt;sup>7</sup> This element of the target will be measured through the continuous English House Condition Survey. The baseline, set at 1 April 2001, is 57% of vulnerable households in the private sector live in a decent home. The proportion measured is derived from the number of private sector vulnerable households in decent homes divided by the number of all private sector vulnerable households

# **Regional**

## North East Regional Housing Strategy

An update to the North East Regional Housing Strategy (2005-2021)<sup>8</sup> was produced in 2005 and was formulated around the framework of four key objectives:

- To rejuvenate the housing stock to meet 21st century aspirations, replacing market failure with high quality housing in the right locations to help create successful, coherent and sustainable communities
- To ensure that the type and mix of new accommodation provides choice, supports economic growth and meets housing need and demand. This will reflect the diversity of urban and rural communities and the needs for affordable, family and prestige housing
- To secure the improvement and maintenance of existing housing so that it meets required standards, investing in sustainable neighbourhoods
- To promote good housing management and targeted housing investment to address specific community and social needs; including an ageing population and the needs of minority communities; this will be integrated with the Supporting People programme and promote greater community involvement. The strategy places emphasis on the need for the development of sub-regional strategic approaches in order to encourage cross boundary working and to consider the common threads of specific housing markets across neighbouring authority areas.

## Sub-Regional

# **Tees Valley Sub-Regional Housing Strategy**

The Tees Valley Sub-Regional Housing Strategy has been developed to consider particular housing issues in the five Tees Valley authority areas of Darlington, Redcar and Cleveland, Hartlepool, Middlesbrough and Stockton on Tees, whilst also considering the wider aims of the Regional Housing Strategy and national policy.

The authorities work in partnership to understand sub-regional demographic and socio-economic drivers that underpin changes in the local housing market. Developing a cross-authority strategic approach to housing has many benefits including sharing best practice and commissioning joint research and bids for funding. A bid to the North East Housing Board (NEHB) for SHIP 2 (Single Housing Investment Pot) funding to tackle housing conditions in the private sector, empty homes and energy efficiency issues across the Tees Valley has been successful, gaining the five authorities a total of £5.315 million for the financial year 2006/07 and £5.490 million for 07/08. Darlington has received a proportion of this funding, amounting to £0.776 million for 06/07 and £0.801 million for 07/08. A further £0.284 million for 06/07 and £0.284 for 07/08 has been awarded for the provision of Disabled Facilities Grants (DFGs).

The five Tees Valley authorities recognise that common private sector renewal issues exist across the subregion, and are thus seeking to recognise value for money and efficiency gains through the collective procurement of services and improvements to private sector housing stock across the sub region, including

<sup>&</sup>lt;sup>8</sup> Available on the NEHB website (also available in Plain English for non-housing professionals) <u>http://www.nehb.org.uk/</u>

energy efficiency measures and tackling empty properties. Both programmes form an integral part of the successful SHIP funding bid<sup>9</sup>

# **Chapter Three - Local Issues**

# **Private Sector Housing Conditions in Darlington**

A private sector stock condition survey carried out by Darlington Borough Council in 2000 indicated that statutory unfitness within the private sector in the borough stood at 5.8%. This was notably higher than the national average of 4.2% and over double the proportion in the rest of the North East (2.2%). These findings suggest the need for the council to develop specific measures to combat levels of poor quality accommodation within the private sector in Darlington and also to contribute to the Government's aims under PSA 7.

The 2000 stock conditions survey indicated that pockets of significantly poor quality housing were concentrated in the wards of Northgate, North Road, Bank Top, Pierremont and Central. These areas were identified as requiring further in-depth consideration and therefore a further study was commissioned.

The subsequent report, received in 2003, highlighted 5 key areas, concentrated centrally in the Borough, that in addition to concentrations of poor quality dwelling conditions, also exhibited larger numbers of older, pre-1919 terraced dwellings and increased incidence of private renting. Overall, 22.1% of the dwellings in this inner-area study were identified as being unfit. The findings of the report highlighted a need to develop a strategy for intervention in these areas, to address the issues of poor quality dwelling conditions.

The average open market sale price for Darlington during the period 2005/06 was £129,978<sup>10</sup>, with terraced properties retailing at an average of £94,425. It is interesting to note, however, that terraced properties within the 5 identified areas showed an average retail price of £64,089<sup>11</sup>. It could be suggested that the low cost of purchasing property within these areas and the high levels of private renting are indicative of the increase in property speculation within recent years, with investors buying up older, pre-1919 properties at the lower end of the market in order to achieve a return through rental income.

In 2004 the Council commissioned David Cumberland Housing Renewal Ltd (DCHR) to carry out further research into housing conditions within the Borough, in order to identify and evidence the nature of current and future housing issues and to underpin a strategic response.

The findings of the research echoed and emphasised those of the earlier stock conditions survey and the inner area housing study in highlighting poor conditions within the private sector. Although in every case the research did not take into consideration each individual property within the Borough, the responses received from residents contacted allowed the DCHR to provide an accurate snapshot of the nature of issues and housing conditions within the private sector.

<sup>&</sup>lt;sup>9</sup> Procurement for sub-regional energy efficiency scheme will only involve Darlington, Middlesbrough, Redcar & Cleveland and Stockton as Hartlepool have an existing scheme

<sup>&</sup>lt;sup>10</sup> All information on average property prices for Darlington from Land Registry website <u>www.landreg.gov.uk</u>

<sup>&</sup>lt;sup>11</sup> Average property prices for areas identified in the inner-area study from Land Registry information on website <u>www.ourproperty.com</u>

The research found that properties subject to major disrepair were predominantly within the private rented sector (62.2%) with the remaining proportion (37.8%) owner occupied. These properties were occupied in particular by single people under 60 (31.6%), lone parents (26.3%) and couples with children (23.7%).

Of those people surveyed as part of this research, levels of dissatisfaction with property conditions was particularly noticeable amongst those who rented privately. Problems commonly reported were coldness and dampness of properties. Private rented stock tends to be older; around one third of dwellings were built prior to 1919. Private renters account for around one fifth of households in Northgate (20.4%), Pierremont (20.1%) and Central (19.5%) wards.

Although 46.3% of renters were either in full-time or part-time employment, 69.3% of all renters had an income of less than £300 per week. 14.1% were unemployed. This would suggest that those on lower incomes, with no access to property purchase in the housing market are more likely to be accommodated within the private rented sector and thus be at risk of poor housing conditions.

Despite levels of considerable prosperity within the Borough there are some major economical differences between the most and least affluent, with the poorest gravitating towards low-cost private sector stock. Polarisation is occurring because those on the lowest incomes have very limited choices as to where they can live. This leads to concentrations of deprivation within the central core of the Borough, whilst the more affluent move towards the periphery.

Each of these factors acts to further isolate the socially disadvantaged and counter the aims of balanced housing markets and the 'mixed tenure' estates, which are being promoted to eradicate social exclusion, build sustainable communities and promote greater community cohesion.

Darlington Borough Council recognises that significant inward investment is required to rejuvenate, remodel or improve poor private sector housing stock. The council are considering a number of options to maximise inward investment while recognising that the Borough does not exhibit such extreme deprivation to qualify for many traditional funding opportunities. More innovative options such as the recycling of Section 106 planning gain commuted sums are being considered. The 'pooling' of Section 106 commuted sums or other 'off-site' affordable housing provision could assist in the improvement or regeneration of poor private sector housing stock. Such increased investment could also be utilised to remodel high density pre-1919 private sector stock to deliver alternative affordable housing options, which will meet the aspirations of local people.

# **Chapter Four – Darlington Issues in Context**

Table 1 below shows the age distribution of the population of Darlington compared to elsewhere in the region and sub-region.

| Age              | Darlington | Tees Valley | North East |
|------------------|------------|-------------|------------|
| Under 5          | 5800       | 36700       | 132600     |
| 5 to 15          | 13600      | 93000       | 341900     |
| 16 to 24         | 10600      | 77100       | 303700     |
| 25 to 44         | 26700      | 174800      | 671000     |
| 45 to Retirement | 22900      | 147700      | 584300     |
| Retirement to 75 | 11600      | 74900       | 301300     |
| 75 and Over      | 8000       | 47200       | 197100     |

## **Table 1: Population Age Demographics**

# **Older Residents**

The resident population of Darlington as measured at the 2001 Census was 97,480. The ODPM 2003-based population projections for the period 2003-2021 indicate that the population is expected to increase, with the most marked increase among those aged 60-74 (38.7%) and those aged 75+ (28.4%). Research carried out by the Tees Valley Joint Strategy Unit (JSU) in 2005 (based on 2003 figures) expects that by 2021, the number of those aged 65 and over in Darlington will have increased by 29% from 19,300 in 2003 to 24,900 in 2021.

| Age   | Year |      |       | Darlin | gton % | Tees Va | alley % |       |       |
|-------|------|------|-------|--------|--------|---------|---------|-------|-------|
| Group |      |      |       |        |        | Cha     | inge    | Cha   | inge  |
|       | 2003 | 2006 | 2011  | 2016   | 2021   | 03-11   | 03-21   | 03-11 | 03-21 |
| 0-14  | 18.3 | 17.7 | 16.9  | 16.4   | 16.1   | -7.7    | -12.0   | -11.3 | -17.1 |
| 15-24 | 11.2 | 11.7 | 11.7  | 11.0   | 10.4   | 4.5     | -7.1    | -2.1  | -17.0 |
| 25-39 | 19.7 | 18.5 | 17.6  | 18.3   | 19.1   | -10.7   | -3.0    | -13.4 | -10.4 |
| 40-59 | 27.3 | 28.6 | 29.1  | 29.2   | 28.0   | 6.6     | 2.6     | 3.7   | -5.7  |
| 60-74 | 13.7 | 14.3 | 16.3  | 17.4   | 19.0   | 19.0    | 38.7    | 13.8  | 31.4  |
| 75+   | 8.1  | 8.1  | 8.5   | 9.3    | 10.4   | 4.9     | 28.4    | 13.8  | 37.1  |
| Total | 98.2 | 98.9 | 100.1 | 101.6  | 102.9  | 1.9     | 4.8     | -1.2  | -2.1  |

 Table 2: Tees Valley JSU Population Trends

According to research carried out by the Office for National Statistics (ONS), the number of older people living in private rented accommodation is more likely to increase with age; 72% of people in Great Britain aged 65-84 who live in private sector housing are owner-occupiers, compared to only 61% of people aged over 85 and over<sup>12</sup>.

<sup>&</sup>lt;sup>12</sup> Office for National Statistics (2004) *Focus on Older People*, online at <u>http://www.statistics.gov.uk/cci/nugget.asp?id=877</u> (November 2005)

Those who are owner-occupiers are also likely to have a relatively low income and are therefore likely to be unable to carry out repairs and maintenance, and will require some form of assistance. Non-decent housing conditions will impact on their health and wellbeing.

Although older people are less likely to report problems with their housing, possibly due to not knowing what, if any assistance is available, the research also shows that 12% of older people said that their homes were too cold in winter. Older people are more likely to live in older housing, and to suffer the consequences of cold and damp through fuel poverty and poor housing conditions. The number of people without central heating also increases with age: in 2001, 93% of people in Britain aged between 50 and 64 had central heating, compared to only 86% of those aged 85 and over<sup>13</sup>

Among households that include older homeowners, some are more likely than others to live in non-decent housing<sup>14</sup>. The housing is more likely to be below standard where;

- Households contain someone aged 75 or above
- Households comprise people aged over 60 living alone, and where people have been living in the same property for over 30 years

The 'Lifetime Homes' concept was developed in the 1990's and considers the accessibility of dwellings for households throughout all stages in life. New building regulations introduced in 1999 stipulate that all newly built properties should take into consideration the 16 design features as set out in the 'Lifetime Homes' concept, that will add flexibility and make homes easy to adapt to people's life changes. The new specification is such that dwellings will remain appropriate to changing needs over time and should reduce the amount spent on Disabled Facilities Grants, used to adapt properties to make them more accessible.

Recent Housing Needs Assessment research carried out in Darlington as to the housing aspirations of older people overwhelmingly showed a desire to remain in their own homes with support; we must ensure that measures are put in place to meet their needs effectively, reducing the incidence of non-decency among older people's housing, which could impact significantly on health and wellbeing.

It is envisaged that this will have significant resource and service implication in the adaptation of older people's housing in order to meet their aspiration to remain independent in their own homes. Linkages will also need to be made with other key strategies; The Supporting People Strategy plans a gradual, low-level increase in older persons' housing support in line with the anticipated demographic change.

An Older Person's Housing Strategy is currently being developed to consider these issues in closer detail.

<sup>&</sup>lt;sup>13</sup> Office for National Statistics (2004) *Focus on Older People*, online at <u>http://www.statistics.gov.uk/downloads/theme\_compendia/foop/Olderpeople.pdf</u> (December 2005)

<sup>&</sup>lt;sup>14</sup> DWP (2005) *Opportunity Age: opportunity and security throughout life*, vol. 2, online at <u>http://www.dwp.gov.uk/opportunity\_age/section\_two.asp</u> (June 2006)

### **Household composition**

## Table 3: Household Composition

The Table below shows a breakdown of the types of household composition within Darlington.

| Household Type                        | Darlington % | North East % | England % |
|---------------------------------------|--------------|--------------|-----------|
| Single Person                         | 32.4         | 31.2         | 28.8      |
| Couple (no children)                  | 33.7         | 27.8         | 28.8      |
| Couple (with dependent children)      | 16.3         | 21.4         | 22.8      |
| Lone Parent (with dependent children) | 5.9          | 7.1          | 6.5       |
| Other Multi-Person Household          | 11.7         | 12.5         | 13.1      |

Source: 2005 HNS, 2004 ONS Regional Trends

#### Household projections by Household Type

Table 4 below shows national household projections by household composition for the period 2003-2026. This information is based on estimates made by the Department for Communities and Local Government in 2006 and indicates what would happen if past demographic changes continue.

The information shows that over the next 20 years it is expected that the number of married couples (with or without children) will decrease and the number of couples cohabiting (with or without children) will increase significantly. The most marked increase however, is in the number of people in single-person households (18.7%) between 2003 and 2026.

Although these figures show only the national perspective, it is expected that these trends will be replicated in Darlington and across the Tees Valley sub-region, leading to a major shift in household composition and thus on the housing needs and aspirations of the residents of the Borough. Future housing provision would need to reflect these changes and be considered in any future strategy. Further consideration of future need will be facilitated by the 2006/07 Stock Conditions Survey and will allow the Council to consider more closely what the implications of demographic change will have on future housing development, and what volume and type of housing will be required to address the needs of our residents.

#### **Table 4: National Household Projections**

| Household Types        | N          | Average Annual<br>Change |            |           |
|------------------------|------------|--------------------------|------------|-----------|
|                        | 2003       | 2021                     | 2026       | 2003-2026 |
| Married Couples        | 9,608,000  | 8,935,000                | 8,834,000  | -34,000   |
| Cohabiting Couples     | 1,867,000  | 3,148,000                | 3,358,000  | 65,000    |
| Lone Parent            | 1,566,000  | 1,837,000                | 1,876,000  | 13,000    |
| Other Multi-Person     | 1,416,000  | 1,698,000                | 1,759,000  | 15,000    |
| One Person             | 6,477,000  | 9,164,000                | 9,886,000  | 150,000   |
| All Households         | 20,904,000 | 24,781,000               | 25,713,000 | 209,000   |
| Average Household Size | 2.34       | 2.14                     | 2.10       | -         |

## **Housing Tenure**

Table 5 below shows the type of housing tenure by ward for the Borough. It should be noted that there tends to be a much higher concentration of private rented accommodation in the Central (23.2%), Northgate (26.1%), North Road (14.4%), and Pierremont (17.2%) wards compared to the Borough average of 8.3%. Again, this information bears out the fact that private rented properties tend to be older, poorer quality housing, concentrated within the central core of the Borough.

| Ward Name                   | Tenure % Owner | Tenure % Rent | Tenure % Private |
|-----------------------------|----------------|---------------|------------------|
|                             | Occupied       | from LA/HA    | Rent             |
| Bank Top                    | 65.7           | 18.2          | 14.1             |
| Central                     | 50.7           | 22.5          | 23.2             |
| Cockerton East              | 77.0           | 19.6          | 1.8              |
| Cockerton West              | 42.7           | 52.0          | 3.7              |
| College                     | 85.5           | 6.3           | 7.2              |
| Eastbourne                  | 61.4           | 33.2          | 4.2              |
| Faverdale                   | 97.0           | 0.9           | 1.7              |
| Harrowgate Hill             | 89.9           | 4.3           | 4.7              |
| Haughton East               | 55.0           | 40.5          | 2.9              |
| Haughton North              | 79.5           | 17.5          | 2.1              |
| Haughton West               | 73.8           | 21.4          | 3.5              |
| Heighington and Coniscliffe | 79.5           | 6.9           | 9.6              |
| Hummersknott                | 89.8           | 8.0           | 1.0              |
| Hurworth                    | 84.0           | 7.7           | 5.4              |
| Lascelles                   | 57.9           | 33.2          | 7.7              |
| Lingfield                   | 71.2           | 24.5          | 2.8              |
| Middleton St George         | 85.5           | 8.4           | 4.3              |
| Mowden                      | 93.9           | 4.3           | 2.1              |
| North Road                  | 59.5           | 23.9          | 14.4             |
| Northgate                   | 63.5           | 6.6           | 26.1             |
| Park East                   | 56.1           | 30.0          | 12.2             |
| Park West                   | 86.7           | 7.8           | 3.5              |
| Pierremont                  | 79.3           | 1.5           | 17.2             |
| Sadberge and Whessoe        | 79.9           | 7.7           | 7.4              |
| Darlington                  | 71.7           | 18.1          | 8.3              |

## Table 5: Housing Tenure by Ward

Information taken from 2001 census

#### Housing Type and Age

Table 6 overleaf provides details of the types of houses in Darlington per ward. It should be noted that whilst there are wards which have a higher proportion of detached housing such as Faverdale (42.3%), Heighington and Coniscliffe (40.3%) and Hummersknott (41.7%) there are conversely areas where there is a much higher proliferation of terraced property such as Northgate (73.0%), Pierremont (72.2%), Bank Top (56.2%), Central (55.0%) and North Road (52.1%).

It is also interesting to note that there seems to be a direct correlation between the number of terraced properties in those wards mentioned above and the concentration of dwellings constructed prior to 1919; Northgate (83%), Pierremont (73%), Central (56%), Bank Top (55%) and North Road (39%) as shown in Table 7. These properties are situated within areas highlighted in the Stock Conditions Survey and the Inner Area Study as having higher than average concentrations of poor quality, non-decent housing. Our strategy will be to focus our Financial Assistance Policy on the wards of North Road, Northgate, Central and Bank Top in acknowledgement of poor dwelling conditions.

| Ward Name                   | House Types (% of Dwellings) |          |         |          |      |
|-----------------------------|------------------------------|----------|---------|----------|------|
|                             | Detached                     | Semi-    | Terrace | Bungalow | Flat |
|                             |                              | Detached |         |          |      |
| Bank Top                    | 1.5                          | 15.9     | 56.2    | 5.1      | 21.3 |
| Central                     | 2.0                          | 9.0      | 55.0    | 6.2      | 27.8 |
| Cockerton East              | 10.6                         | 64.0     | 9.6     | 9.9      | 5.8  |
| Cockerton West              | 0.4                          | 25.6     | 46.8    | 4.6      | 22.6 |
| College                     | 8.9                          | 37.7     | 22.7    | 4.3      | 26.3 |
| Eastbourne                  | 3.1                          | 60.0     | 21.7    | 5.9      | 9.3  |
| Faverdale                   | 42.3                         | 46.6     | 5.0     | 2.6      | 3.6  |
| Harrowgate Hill             | 13.3                         | 55.0     | 25.7    | 4.5      | 1.5  |
| Haughton East               | 11.3                         | 28.2     | 37.1    | 10.3     | 13.1 |
| Haughton North              | 28.3                         | 34.4     | 12.7    | 14.7     | 10.0 |
| Haughton West               | 19.6                         | 38.5     | 24.6    | 8.3      | 9.0  |
| Heighington and Coniscliffe | 40.3                         | 20.1     | 19.0    | 18.8     | 1.7  |
| Hummersknott                | 41.7                         | 31.6     | 1.5     | 13.0     | 12.2 |
| Hurworth                    | 25.0                         | 24.1     | 20.5    | 22.8     | 7.5  |
| Lascelles                   | 6.5                          | 29.9     | 46.6    | 6.6      | 10.4 |
| Lingfield                   | 1.8                          | 55.2     | 22.0    | 11.2     | 9.8  |
| Middleton St George         | 37.4                         | 21.9     | 23.4    | 12.2     | 5.0  |
| Mowden                      | 20.7                         | 50.4     | 1.3     | 17.0     | 10.6 |
| North Road                  | 9.5                          | 14.4     | 52.1    | 1.8      | 22.2 |
| Northgate                   | 0.5                          | 5.0      | 73.0    | 0.5      | 21.0 |
| Park East                   | 2.1                          | 29.8     | 47.8    | 2.5      | 17.9 |
| Park West                   | 21.2                         | 43.1     | 8.4     | 15.9     | 11.5 |
| Pierremont                  | 1.5                          | 22.8     | 72.2    | 0.5      | 3.0  |
| Sadberge and Whessoe        | 29.4                         | 18.2     | 21.1    | 28.4     | 2.8  |
| Darlington                  | 13.2                         | 32.7     | 33.4    | 8.2      | 12.5 |

#### **Table 6: Housing Type**

Information from Tees Valley Joint Strategy Unit 2005

#### Table 7: Housing Age

| Ward Name                   | Age of Housing (Construction Date) |             |             |             |  |
|-----------------------------|------------------------------------|-------------|-------------|-------------|--|
|                             | % Pre 1919                         | % 1919 – 39 | % 1945 – 72 | % Post 1973 |  |
| Bank Top                    | 55                                 | 9           | 5           | 31          |  |
| Central                     | 56                                 | 9           | 9           | 26          |  |
| Cockerton East              | 1                                  | 59          | 1           | 39          |  |
| Cockerton West              | 3                                  | 2           | 82          | 12          |  |
| College                     | 31                                 | 35          | 11          | 23          |  |
| Eastbourne                  | 0                                  | 43          | 42          | 14          |  |
| Faverdale                   | 0                                  | 7           | 3           | 89          |  |
| Harrowgate Hill             | 18                                 | 39          | 19          | 25          |  |
| Haughton East               | 6                                  | 12          | 45          | 37          |  |
| Haughton North              | 0                                  | 12          | 6           | 82          |  |
| Haughton West               | 4                                  | 5           | 33          | 58          |  |
| Heighington and Coniscliffe | 27                                 | 8           | 34          | 31          |  |
| Hummersknott                | 1                                  | 17          | 41          | 41          |  |
| Hurworth                    | 25                                 | 7           | 54          | 15          |  |
| Lascelles                   | 16                                 | 29          | 36          | 18          |  |
| Lingfield                   | 1                                  | 46          | 33          | 20          |  |
| Middleton St George         | 19                                 | 7           | 25          | 49          |  |
| Mowden                      | 2                                  | 12          | 70          | 16          |  |
| North Road                  | 39                                 | 20          | 1           | 40          |  |
| Northgate                   | 83                                 | 2           | 1           | 13          |  |
| Park East                   | 37                                 | 19          | 32          | 12          |  |
| Park West                   | 18                                 | 50          | 20          | 12          |  |
| Pierremont                  | 73                                 | 24          | 0           | 2           |  |
| Sadberge and Whessoe        | 32                                 | 15          | 32          | 21          |  |
| Darlington                  | 25                                 | 22          | 25          | 28          |  |

Information taken from Tees Valley Joint Strategy Unit 2006

#### **Socio-Economic Circumstance**

Table 8 overleaf details the average weekly and monthly earnings for Darlington residents, and the nature of their employment.

Research carried out in the 2005 Local Housing Assessment shows that almost half of households (49.1%) receive an income of less than £300 per week. 63% of all those renting privately had an income of less than £300 per week, highlighting the high numbers of vulnerable, low-income families relying on the private rented sector for accommodation. Only 8% of those renting privately had a weekly income of more than £500. The report also highlighted that there was a relative lack of private rented accommodation for those in higher socio-economic groups. The table below considers the gross weekly and monthly income of all residents in the Borough.

| Gross              | Darlington             |                 |
|--------------------|------------------------|-----------------|
| Weekly             | Monthly                | % of Households |
| Under £100         | Under £422             | 8.4%            |
| £100 to under £200 | £433 to under £867     | 21.8%           |
| £200 to under £300 | £867 to under £1,300   | 18.9%           |
| £300 to under £400 | £1,300 to under £1,773 | 14.6%           |
| £400 to under £500 | £1,733 to under £2,167 | 9.9%            |
| £500 to under £600 | £2,167 to under £2,600 | 7.4%            |
| £600 to under £700 | £2,600 to under £3,033 | 6.3%            |
| £700 or more       | £3,033 or more         | 12.7%           |
| Total              |                        | 100%            |

Source: 2005 HNS, 2004 ONS Regional Trends

According to the Financial Services Authority, for mortgage purposes a lender can typically borrow three and a half times the main earners income before tax, plus one times any second earner's income, or alternatively two and half times the joint income before tax<sup>15</sup>.

As Darlington property prices rose to an average of  $\pounds 129,978$  in 2005/06 the aspiration of home ownership is still not attainable for many, regardless of location within the Borough. Calculations based on this information show that as a first time purchase, the average property in Darlington would be beyond the reach of approximately 67% of households.<sup>16</sup>

There are also significant demands on social housing. As of 1st April 2006 there were 2848 people on the waiting list and transfer list for Council housing. Increased tenant satisfaction with Council housing, largely due to the scale of capital investment, means that tenants are less likely to move into other tenure properties, and the on-going sales through Right to Buy has resulted in much fewer properties within the Council's stock. For many people within Darlington, privately rented accommodation is the only option. It is the responsibility of Darlington Borough Council to ensure that quality and decency is maintained across all tenures.

#### **Rent Levels**

The information below at table 9 shows that average year on year rental levels for each of the Tees Valley authorities. These figures are based on the Local Reference Rent, which reflects the midpoint of the range of all rents for all types of properties within the same locality<sup>17</sup>.

The cost of privately renting in Darlington rose between 2001 and 2005 by 19%, compared to 11% in Hartlepool, 9% in Middlesbrough, 11% in Redcar and Cleveland and 14% in Stockton. This now makes Darlington on average the most expensive place to rent privately within the Tees Valley.

<sup>&</sup>lt;sup>15</sup> Information from <u>www.fsa.gov.uk</u>

<sup>&</sup>lt;sup>16</sup> Calculation based on average property price of £129,978 with a 10% deposit on a 25 year standard variable rate mortgage based on  $3\frac{1}{2}$  times gross average income per household

<sup>&</sup>lt;sup>17</sup> Information gathered from Rent Officer Valuation Reports 2001/02 – 2004/05, available from http://www.therentservice.gov.uk/documents/corporate\_publications/TRS-Valuation-Report-BM.pdf

## **Table 9: Comparative Private Sector Rent Levels**

| Authority          | 2001/02 | 2002/03 | 2003/04 | 2004/05 |
|--------------------|---------|---------|---------|---------|
| Darlington         | 68.77   | 76.78   | 79.49   | 85.10   |
| Hartlepool         | 68.00   | 75.56   | 74.28   | 76.51   |
| Middlesbrough      | 70.48   | 74.24   | 74.60   | 77.34   |
| Redcar & Cleveland | 70.53   | 72.29   | 73.10   | 79.07   |
| Stockton on Tees   | 72.24   | 73.40   | 79.67   | 84.44   |

Information taken from Rent Officer Valuation Reports 2001/02 - 2004/05

At the current average rent levels for Darlington, and based on the assumption that rental should not exceed a third of a households gross income, privately renting would be unaffordable for around 40% of Darlington residents if Housing Benefit were not available to them.

## **Disability and Long Term Ill Health**

Table 10 shows the percentage of those within the Borough who have a limiting and long-term health problem. Attendance Allowance (AA) and Disability Living Allowance Care Component (DLA) are benefits for people who suffer from such disability that they require care or help with their day-to-day lives.

DLA can be claimed by people of all ages, whilst people aged over 65 making their first claim can only receive AA. The percentage of the total population receiving AA or DLA is shown. Incapacity Benefit (IB) or Severe Disablement Allowance is paid to people who are incapable of work due to illness or disability. The percentage of the total population claiming either IB or SDA is also shown.

| Ward Name                   | People Needing Care (AA or<br>DLA) % | People Incapable of Work (IB<br>or SDA) % |
|-----------------------------|--------------------------------------|---|
| Bank Top                    | 14.8                                 | 14.2                                      |
| Central                     | 20.2                                 | 21.4                                      |
| Cockerton East              | 9.2                                  | 7.0                                       |
| Cockerton West              | 18.8                                 | 16.3                                      |
| College                     | 6.1                                  | 5.6                                       |
| Eastbourne                  | 13.6                                 | 11.9                                      |
| Faverdale                   | 5.0                                  | 4.4                                       |
| Harrowgate Hill             | 7.1                                  | 5.9                                       |
| Haughton East               | 14.8                                 | 13.0                                      |
| Haughton North              | 9.7                                  | 8.0                                       |
| Haughton West               | 11.3                                 | 8.2                                       |
| Heighington and Coniscliffe | 5.6                                  | 4.8                                       |
| Hummersknott                | 5.7                                  | 4.6                                       |
| Hurworth                    | 8.2                                  | 7.2                                       |
| Lascelles                   | 13.5                                 | 13.9                                      |
| Lingfield                   | 12.7                                 | 10.8                                      |
| Middleton St George         | 6.9                                  | 6.4                                       |
| Mowden                      | 5.0                                  | 5.4                                       |
| North Road                  | 12.2                                 | 12.4                                      |

#### Table 10: Disability and Long Term Health Data

| Northgate            | 11.9 | 13.1 |
|----------------------|------|------|
| Park East            | 13.8 | 12.1 |
| Park West            | 7.0  | 6.7  |
| Pierremont           | 8.4  | 7.9  |
| Sadberge and Whessoe | 5.6  | 6.4  |
| Darlington           | 10.5 | 9.7  |

Information taken from Tees Valley Joint Strategy Unit 2006

Those with long term and limiting illnesses or disabilities are at a higher risk from poor conditions within the private sector, with the onset and exacerbation of health problems due to non-decent accommodation a particular cause for concern. Many may also find that their properties are not appropriate for their needs and require adaptation to make them more suitable.

# **Chapter Five - Licensing and Enforcement Issues**

The measures introduced by the 2004 Housing Act provided local authorities with wider powers to protect the most vulnerable people living in our community through licensing and enforcement procedures.

## **Mandatory Licensing**

In Darlington there are currently 338 Houses in Multiple Occupation (HMO)<sup>18</sup>. These are properties where facilities are shared by a number of households and are likely to provide low-cost, single person accommodation. In the main, HMOs tend to be older, larger properties, which gives rise to a number of issues surrounding housing conditions and decency standards. Over a third of HMOs (118) are located in the Northgate ward.

The 2004 Housing Act introduced mandatory licensing for certain types of HMO. Such licensing will aim to ensure that standards of accommodation and management practices within HMOs are raised to a decent level in order to protect the interests of vulnerable residents. The legislation applies only to properties that are over 3 storeys in height and have five or more households in occupation. A license fee for such properties applies. Current fees are set at a £750 deposit followed by a supplement of £250 per room for those landlords who have signed up to the Landlord Accreditation Scheme and £300 per room for those who are not members. 20 HMO's were identified as falling within the guidelines of the legislation and these have now been licensed. Fees collected from this scheme have been recycled in order to finance additional staffing resources within the Housing Renewal Team. On-going work is taking place to identify further HMO's and the total figure may increase to around 30 properties.

The number of properties requiring a mandatory license is smaller than initially considered. This is due to a number of factors. Some landlords of HMOs have reduced the capacity of the property to ensure occupation if under 5 households, others have reconfigured or adapted their properties to reduce the number of households able to occupy, thus avoiding the need for mandatory licensing. In some cases landlords are leaving the HMO housing market entirely.

# **Additional and Selective Licensing**

As part of the 2004 Housing Act, the option of introducing additional licensing for properties which do not fall within the guidelines for mandatory licensing but were seen as presenting a high risk were introduced, along with selective licensing powers to address issues of low demand and anti-social behaviour within the

<sup>&</sup>lt;sup>18</sup> A full definition of a House in Multiple Occupation is available in appendix 1, page 31

private rented sector. It is felt that it is unlikely that such prescriptive criteria are likely to apply to areas of private sector housing in Darlington.

It is expected that any further licensing arrangements will have significant resource implications and further guidance from Central Government is required to fully assess the impact of any further licensing within the private sector in Darlington.

## Housing Health and Safety Rating System

In April 2006, the Housing Health and Safety Rating System (HHSRS) replaced the Housing Fitness Standard as set out in the 1985 Housing Act as the new tool in assessing the level of potential risks to the health and safety of occupants in residential properties.

The assessment considers the hazards that are most likely to be present in housing, the likelihood of an incident arising from the condition of a property and the likely harmful outcome<sup>19</sup>. Properties will be inspected by Housing Renewal Officers and assessed against 29 potential hazards. If a hazard is found by the inspecting officer, two tests must be applied:

- What is the likelihood of a dangerous occurrence as a result of the hazard?
- If there is a dangerous occurrence, what would the likely outcome be?

The likelihood and severity of the outcome are based on a number of factors considered during a survey and combine to generate a hazard score. Hazard scores are divided into 10 bands; band A is the most hazardous possible outcome and band J the least. Hazards which fall into bands A to C are classified as Category One Hazards and those which fall into bands D to J classified as Category Two. The Local Authority has a duty to take appropriate action where a category one hazard exists and discretionary power to act where a category two hazard has been identified. If it is considered the most appropriate course of action the Local Authority can implement any of the following

- a. Serve an improvement notice requiring remedial works (this is the most likely course of action)
- b. Make a prohibition order, which closes the whole or part of a dwelling or restricts the number of permitted occupants
- c. Serve a Hazard Awareness Notice
- d. Take emergency remedial action
- e. Make an Emergency Prohibition Order
- f. Make a Demolition Order
- g. Include the property in a clearance area

The length of time for completion of the works depends on the Local Authority but unless the hazard is assessed as needing emergency remedial work, the owner cannot be made to begin work earlier than 28 days. An emergency would constitute a serious hazard and, in the Authority's opinion, an imminent risk of serious harm to the occupiers. The Authority may impose fines of up to £5000 against any owner, landlord or managing agent who fails to comply with a statutory notice.

The powers granted to the Council through the HHSRS allow for non-decent properties to be targeted and brought up to standard through enforcement action. This will improve housing conditions for those within the

<sup>&</sup>lt;sup>19</sup> Information for Residents and Landlords on HHSRS available from <u>http://www.communities.gov.uk/index.asp?id=1164487</u>

private sector and ensure that targets to increase the number of vulnerable households living in decent accommodation under PSA 7 are met.

#### **Empty Properties**

The Housing Act 2004 introduced new measures for Local Authorities to tackle the problems posed by empty properties within the private sector. Properties left unoccupied for long periods of time can have a damaging effect on the environment and can devalue surrounding properties, leading to neighbourhood decline and anti-social behaviour. They also represent a lost opportunity for areas where demand for housing is high and housing supply is inadequate<sup>20</sup>.

Empty Dwelling Management Orders (EDMOs) differ from Compulsory Purchase Orders in that they require Local Authorities to work in partnership with the landlord to bring the property back to a habitable standard and to make it available for rent.

Any case where a Council wishes to impose an EDMO must be brought before an Independent Residential Property Tribunal, who will then ascertain whether the Authority has grounds for imposing the order and whether it has been empty for at least 6 months, although in many cases it will involve properties that have been empty for a number of years), whether there is a reasonable likelihood that the property will be brought back to a habitable standard by the owner without the intervention of the Authority and whether the Council will be able to ensure that the property will become occupied once the EDMO has been granted. EDMOs do not apply where

- a property is going through probate or where probate has been obtained within the last 6 months
- a property is a person's main home but they are currently elsewhere, i.e. working away or being cared for in a residential care home
- a property is a second home
- a property is in the process of being sold or let

In the adoption of these powers, certain issues need close consideration, not least the actual management of the properties once an EDMO has been made. It is considered that the adoption of EDMOs would be resource intensive and would require the appointment of a managing agent. It is an option that may be considered in the future but it is considered that for the foreseeable future the problem of empty properties can be tackled through other available regulatory powers and the promotion of financial assistance for private landlords, to enable them to bring the properties up to a decent standard and let them to private tenants under the prescriptions of the Council's Financial Assistance policy. Further information about the policy is available on page 21.

<sup>20</sup> Information on EDMOs from

http://www.communities.gov.uk/pub/997/EmptyDwellingManagementOrdersGuidanceforresidentialpropertyowners\_id1503997.pd <u>f</u>

# **Chapter Six - Private Landlords**

## Landlord Accreditation Scheme and Landlord Forum

Darlington Landlord's Accreditation scheme was launched in February 2006 with the intention of improving relationships between private landlords and the Local Authority and improving housing conditions within the private sector. It aims to benefit both landlord and tenant by giving recognition to landlords whose properties are well maintained and managed, and confidence to tenants that accommodation, facilities and any furniture provided will meet set standards of health and safety. In order to achieve accredited status, landlords are required to meet management and property standards as set out in a Code of Standards<sup>21</sup> and to undergo a property inspection to ascertain condition.

To date, 20 landlords have attained accreditation through the scheme, with a total of 243 properties within the Borough. A further 200 landlords have requested information on the scheme and its benefits, with a view to becoming accredited. Incentives available to landlords under the accreditation scheme include a direct line contact with the Housing Benefit Service in order to resolve difficulties in benefit processing.

It is envisaged that by building better relationships with private landlords, incentivising the Landlord Accreditation scheme and engaging landlords in consultation through the quarterly Landlord's Forums and regular newsletters, conditions within the private sector will be improved.

#### **Consultation Undertaken**

As part of the development of this strategy, extensive consultation was carried out with landlords who have private properties for rent in Darlington. A questionnaire was sent to landlords with the aim of raising awareness of issues brought about by the 2004 Housing Act and also of finding out how landlords felt about these changes. A copy of this questionnaire is available in appendix 2. 130 responses were received, providing a comprehensive view of the issues facing private landlords in the light of new legislation arising from the Housing Act.

When asked whether they were aware of changes to legislation surrounding the improvement of private sector accommodation, most of the landlords questioned had some knowledge of these changes but felt that further guidance from the Local Authority was required on what their responsibilities would be. A number of landlords were concerned about levels of bureaucracy involved, with one even suggesting that this would lead some landlords with a minimal property portfolio to sell up, thus reducing the overall stock available. It was widely acknowledged however, that poor dwelling conditions and management standards within the private sector should be tackled, with bad landlords incurring penalties. Many landlords questioned suggested property inspections and monitoring by the Local Authority would remedy issues of unfitness, and some that awareness should be further raised with tenants as to what enforcement action can be taken against landlords who do not raise the standard of their accommodation to an appropriate level.

A large number of the landlords who responded said that financial assistance from the Local Authority should be made available to private landlords, in the form of grants and loans in order for them to improve dwelling conditions. Financial assistance was also seen as a positive step in encouraging landlords to improve energy efficiency within their properties in order to meet set minimum standards.

<sup>&</sup>lt;sup>21</sup> The Code of Standards for Landlord Accreditation is available from the Housing Renewal Team of Darlington Borough Council and is also available on the internet at <u>www.darlington.gov.uk</u>. This Code of Standards is due to be reviewed in November 2006.

The subject of the return to use of empty dwellings through Empty Property Management Orders (EDMOs) provoked a mixed response from landlords. Some were supportive of the idea that the Local Authority could step in to take over management of the property, improve standards and bring it back to use. Others were vehemently against what they saw as the Council's interference in their business. They argued that they should not be forced into compliance with these regulations and that they should be free to do whatever they wish with their properties as long as they are in a decent condition.

Many landlords felt that the introduction of mandatory licensing for Houses in Multiple Occupation was a positive step in improving dwelling conditions and management standards. When asked their opinions on the licensing of properties beyond these mandatory measures, some landlords felt that this would impose undue pressure on the sector and felt again, that bureaucracy and perceived interference would lead many landlords to sell their properties, leading to a shortage within the Borough. Many of those questioned felt that while the relationship between the Council and private landlords was being greatly enhanced through the introduction of the quarterly Landlords' Forum and regular newsletters, more information should be available to them on prospective tenants to reduce the incidence of failed tenancies through rent arrears and damage to their properties.

# **Chapter Seven - Financial Assistance Policy**

The Regulatory Reform (Housing Assistance) Order (England and Wales) 2002 granted Local Authorities far more flexibility in the delivery of housing renewal assistance, enabling them to take a more localised approach to tackling problems within their own authority areas. The order removed detailed provisions governing housing renewal grants and broadened authorities' powers to provide more cost-effective solutions such as loans. It is this course of action that Darlington Borough Council has taken. This will enable the authority to help those within the private sector to make improvements to their own homes, bringing them up to a decent standard as set out in the Decent Homes Guidance published in 2006 and to meet the minimum legal standard for housing as set out under the regulations of the Housing Health and Safety rating system.

For those authorities intending to implement these new powers there are certain legislative requirements that must be adhered to. The authority must:

- Publish a policy, setting out how they intend to use the new powers
- Consider each applicant's ability to afford the repayments of any loan for housing renewal assistance
- Ensure that any person receiving assistance is aware of the financial commitment that they are undertaking by providing written terms and conditions under which assistance will be given
- Undertake to confirm that the owner of the property being repaired gives their consent to any assisted works (in cases where a tenant of a rented property applies for assistance)
- Give notice if it varies the assistance or works

In 2006 Darlington Borough Council reviewed and developed a new Financial Assistance Policy within the guidelines of this legislation. The new loans based scheme will be administered on behalf of the authority by the Home Improvement Agency, Care and Repair Darlington. Information on each of the types of assistance available is provided below.

# **Disabled Facilities Grants (DFG's)**

DFG's are given towards the cost of providing adaptations or facilities to enable a disabled person to continue living in a property.

The 2002 Order altered the regulation surrounding Disabled Facilities Grants, extending qualification for assistance to those living in houseboats or park homes. Also, parents of disabled children who are applying for DFGs will no longer have to undergo a means test as part of the application procedure. Otherwise the system for making Mandatory Disabled Facilities Grants remains the same<sup>22</sup>.

The maximum amount payable is £25,000 in respect of each individual DFG. Unless the case involves a disabled child a means test will take place to find out whether they have resources of their own that could be used for any adaptations or provision of facilities. Households of any tenure can apply for a DFG. The main purposes set out in the Housing Act 1996 for which a DFG can be granted are detailed below

- Facilitating access to the property
- Making a dwelling or building safe
- To provide a room useable for sleeping
- To facilitate access to a WC and bathing facilities
- To facilitate the preparation and cooking of food
- Heating, lighting and power
- Adaptations to common parts of a dwelling.

An assessment will be made by an Occupational Therapist and then appropriate recommendations will be made to Care and Repair Darlington. All clients will be handled through a waiting list process, unless they are deemed by the Adult or Children's Social Services Department as meeting the fast track criteria.

#### **Disabled Facilities Discretionary Top-Up Assistance**

The maximum funding available under this financial assistance package is £10,000. The aim of the Disabled Facilities Discretionary Top-Up Assistance is to help to provide any facilities or adaptations that have been identified as part of the DFG process but for those people for whom the cost of work needed is more than the maximum of £25,000 available under the DFG scheme. Applicants will be required to go through a means testing process. The extra monies provided by this loan will 'top-up' the Disabled Facilities Grant. Again, this assistance is available through a waiting list process unless the applicant is deemed as meeting fast-track criteria.

#### **Priority Area Decent Homes Package**

The priority areas defined for the purposes of the financial assistance policy are the wards of Northgate, North Road, Central and Bank Top. All owner-occupiers within these wards can apply for the Priority Decent Homes Package, but only if they are to continue living in the property. The purpose of this financial assistance package is to increase levels of decent private sector houses in these areas where stock conditions have been identified as being problematic. The Government Definition of a decent home is detailed in Chapter One of this strategy. The maximum amount available under the scheme is £20,000 as a combination of 75% financial assistance loan and 25% normal repayment loan. A 'financial assistance loan' is one where

<sup>&</sup>lt;sup>22</sup> The key legislation that governs the provision of Disabled Facilities Grants is contained within the Housing Act 1996 (Housing Grants, Construction and Regeneration Act 1996) – the full Act is available from <a href="http://www.opsi.gov.uk/acts/acts/1996/1996053.htm">http://www.opsi.gov.uk/acts/acts/1996/1996053.htm</a>

the loan amount plus interest is not repayable until the property is sold. Average loan amounts are expected to be  $\pm 10,000$ 

#### Non Priority Area Decent Homes Package

Funding of up to £20,000 available to top up applicants' identified resources, on the basis of 100% loan, repayable over a period of up to 5 years, for dwellings and applicants who are not vulnerable and do not live in priority areas. This funding is aimed at ensuring a dwelling is wind and watertight and is free of any Category 1 and 2 Hazards as defined in the Housing, Health and Safety Rating System as outlined in the Housing Act 2004, and meets Decent Homes Standards,

#### **Emergency Assistance**

Available to people with very limited resources throughout the Borough, with funding of up to £10,000 available on the basis of 100% financial assistance loan. This funding is aimed at ensuring a dwelling is wind and watertight and is free of any Category 1 Hazards as defined in the Housing, Health and Safety Rating System as outlined in the Housing Act 2004.

The Emergency Assistance package is available to those people who are defined as vulnerable by the Decent Homes guidance 2006 in order to bring their homes up to a decent standard<sup>23</sup>

## Landlord Assistance

Recognising the important strategic role that Private Sector rented accommodation will play in delivering appropriate responses to housing needs in the future, financial assistance to meet decent homes standards within priority areas will be available to those private landlords who are members of the Landlord Accreditation Scheme. Funding of up to £20,000 will be available on a 100% loan basis, repayable over a period of up to 5 years.

# **Chapter Eight - Priorities for Action**

The Action Plan at Appendix 3 plays a crucial part in the implementation of the Private Sector Renewal Strategy. It sets out the actions that the Council and its partners will undertake, with the main priorities for action being:-

- 1. Commission a new Private Sector Stock Conditions Survey which will provide us with the evidence base we need to consider our longer-term strategic aims for the private sector in Darlington
- 2. Implement the Financial Assistance Policy
- 3. Monitor ourselves against the appropriate Best Value Performance Indicators, benchmark ourselves against the best performing authorities and grade ourselves against out Tees Valley sub-regional partners
- 4. Consult and engage with our service users to ensure that they have a role in formulating and reviewing any new policies and strategies.

<sup>&</sup>lt;sup>23</sup>Decent Homes Implementation Guidance 2006 available from <u>http://www.communities.gov.uk/pub/191/ADecentHomeDefinitionandguidanceforimplementationJune2006update\_id1152191.pdf</u>

- 5. Impact assess any new strategy to ensure that it is accessible to, and meets the needs of all of our service users, regardless of their ethnicity, age, disability or vulnerability
- 6. Develop formalised policies and procedures and ensure that we have appropriate and accessible public documents
- 7. Promote the work undertaken, ensuring that all information available to the public is up to date, relevant and accessible, including web-based development
- 8. Examine how we can best engage 'difficult to reach' client groups and ensure that their needs are met in the Private Sector Housing Strategy
- 9. Further develop relationships with landlords in the private sector
- 10. Ensure implementation of legislation under the Housing Act 2004

# Action Plan

| Action and Outcome   | Targets and Milestones  | Resources          | Progress  | Officer                    |
|--|---|--------------------|---|----------------------------|
| Re-commission a Private Sector   | Invite submissions to tender  | 75k from within    | Tender documentation to be  | Alan Glew                  |
| Stock Conditions Survey, which   |   | Capital Programme  | sent out December 2006  |                            |
| will provide the evidence base we  | Commission survey   | -                  | Survey commissioned to be   | Alan Glew                  |
| need to consider longer-term   |   |                    | January 2007  |                            |
| strategic aims   | Final report available  | -                  | March 2007  | Alan Glew                  |
| Implement the Financial  | Advertising campaign to make residents  | Existing Resources | Information campaign about  | David Burrell              |
| Assistance Policy  | aware of financial assistance policy  | -                  | FAP to be carried out<br>March 2007   |                            |
|  | Ensure private landlords are aware of<br>financial assistance available to bring<br>properties up to habitable standard | Existing Resources | Information to be made<br>available to landlords<br>through the Landlords<br>Forum and newsletters by<br>March 2007 | Gillian Fox                |
|  | Monitor the take up of Financial Assistance<br>Policy by members of BME community                                       | Existing Resources | Monitoring to take place by<br>March 2007   | Sarah Wilson               |
|  | Ensure that older people are aware of<br>financial assistance available   | Existing Resources | Presentation to be made to<br>GOLD March 2007   | David Burrell              |
| Monitor performance of Housing<br>Renewal Service against key<br>BVPIs, best performing<br>authorities and Tees Valley<br>Partners   | Monitor service against BVPIs quarterly   | Existing Resources | Quarterly   | Alan Glew                  |
| Consult and engage with service<br>users to ensure that they have a<br>role in formulating and reviewing   | Residents within the private sector to be<br>contacted by letter to comment on issues                                   | Existing Resources | Questionnaires and<br>comments forms to be sent<br>out March 2007   | David Burrell              |
| the new policy and strategy  | Consultation event to be arranged with residents of the private sector  | Existing Resources | Consultation event to be arranged for March 2007  | Alan Glew<br>David Burrell |
| Impact assess any new strategy to<br>ensure that it is accessible to, and<br>meets the needs of all of our<br>residents, regardless of their<br>ethnicity, age, disability or<br>vulnerability | Impact assessment to take place before the<br>new Private Sector Housing Renewal<br>Strategy is published               | Existing Resources | Impact assessment to be<br>carried out December 2006  | Alan Glew                  |

| Action and Outcome  | Targets and Milestones  | Resources          | Progress   | Officer/Partner |
|---|---|--------------------|--|-----------------|
| Develop formalised policies and<br>procedures, ensuring that we have<br>appropriate and accessible public<br>documents  | Electronic policy documents developed and available on the internet   | Existing Resources | Documents available on<br>Council website by April<br>2007   | Sarah Wilson    |
| Promote the work undertaken,<br>ensuring that all information<br>available to the public is up to<br>date, relevant and accessible                                | Review website information bi-annually to<br>ensure that it is up to date and appropriate   | Existing Resources | Information to be available<br>on the internet by April<br>2007 – this will be reviewed<br>bi-annually                               | Alan Glew       |
|   | Produce customer information leaflets   | Existing Resources | Leaflets printed and<br>available to the public by<br>April 2007   | David Burrell   |
| Examine how best to target<br>'difficult to reach' client groups<br>and ensure that their needs are<br>met through the Private Sector<br>Housing Renewal Strategy | Identify which groups are 'difficult to<br>reach' and develop the strategy accordingly  | Existing Resources | Research to be carried out<br>into 'difficult to reach'<br>groups and best practice<br>nationally to be carried out<br>by March 2007 | Sarah Wilson    |
| Further develop relationships with landlords in the private sector  | Consider the implications of the introduction of tenancy deposit schemes  | Existing Resources | Await further Government<br>Guidance   | Alan Glew       |
| -   | Continue to encourage landlords to become accredited  | Existing Resources | Options for further<br>incentives to be explored by<br>March 2007  | Gillian Fox     |
|   | Arrange consultation event with private<br>landlords on issues within the private<br>sector and the impact of the Housing Act<br>2004 | Existing Resources | Event to be arranged for<br>April 2007 and annually<br>thereafter  | David Burrell   |
|   | Explore the possibility of extending private<br>sector leasing schemes in order to provide<br>more housing for homeless households    | Existing Resources | Undertake Value for Money<br>appraisal with Housing<br>Options by the end of April<br>2007   | Alan Glew       |
| Ensure implementation of appropriate legislation arising  | Develop a multi-departmental approach to the enforcement of the HHSRS   | Existing Resources | Explore joint training<br>initiatives by January 2007  | David Burrell   |
| from the Housing Act 2004   |   | Existing Resources | Develop multi-agency<br>protocol with other qualified<br>visiting officers within<br>Environmental Health by<br>January 2007         | Alan Glew       |

# Appendix 1

## Houses in Multiple Occupation (Definition)

A House in Multiple Occupation, or HMO is a building, or part of a building (e.g. a flat), which;

- Is occupied by more than one household and in which more than one household shares an amenity (or the building lacks an amenity) such as a bathroom, toilet or cooking facilities; or
- Is occupied by more than one household and which is a converted building which does not entirely comprise self contained flats (whether or not there is also a sharing or lack of amenities); or
- Comprises entirely of converted self contained flats and the standard of conversion does not meet, at a minimum, that required by the 1991 Building Regulation and more than one third of the flats are occupied under short tenancies

#### And is occupied by more than one household:

- As their only or main residence; or
- As a refuge for people escaping domestic violence; or
- During term-time by students; or
- For some other purpose that is prescribed in regulations

#### And the household comprises:

- Families (including foster children or children being cared for) and current domestic employees
- Single persons
- Co-habiting couples (whether or not of the opposite sex)

# Appendix 2



# Private Sector Renewal Strategy 2006 Landlord Questionnaire

| Your Name:  |                               |                             |             |
|---|-------------------------------|-----------------------------|-------------|
| Contact phone   |                               | Contact Email               |             |
| What types of properties d  | o you own/manage? (Tick al    | ll that apply)              |             |
| <ul> <li>Houses in multipl</li> <li>Self contained fla</li> <li>Single household</li> <li>Approximately how many own/manage?</li> </ul> | ts<br>properties              |                             |             |
| Dwelling Condition Impr   | ovements                      |                             |             |
|   | nanges is legislation surroun | ding the improvement of pri | vate sector |
| accommodation?  |                               |                             |             |
| □ Yes □ No  |                               |                             |             |
| Comments:   |                               |                             |             |
|   |                               |                             |             |
|   |                               |                             |             |
|   |                               |                             |             |
|   |                               |                             |             |
| What do you think the cou<br>Comments   | ncil should do to address po  | or/inadequate dwelling cond | litions?    |
| Comments  |                               |                             |             |
|   |                               |                             |             |
|   |                               |                             |             |
|   |                               |                             |             |
|   |                               |                             |             |
| Do you require further info   | ormation on improvements to   | o dwelling conditions?      |             |
| 🗖 Yes 🗖 No  |                               |                             |             |

| Empty Dwellings  |
|--|
| Are you aware of recent changes in legislation regarding the return to residential use of empty dwellings? |
| □ Yes □ No   |
| Comments   |
|  |
|  |
|  |
| What do you think the Council should do to address the issue of empty dwellings?                           |
| Comments:  |
|  |
|  |
|  |
|  |
| Do you feel that empty dwellings are an issue in Darlington? Please give more details                      |
| □ Yes □ No   |
| Comments:  |
|  |
|  |
|  |
|  |
| Do you require any further information about empty dwellings?  |
| □ Yes □ No   |

| Licensing and Management Standards   |
|--|
| Are you aware of recent changes in legislation with regard to the licensing of certain private sector properties?                                      |
| □ Yes □ No   |
| Comments:  |
|  |
|  |
|  |
|  |
|  |
|  |
| What do you believe the Council should do in terms of licensing of properties beyond the mandatory licensing of certain houses in multiple occupation? |
| Comments:  |
|  |
|  |
|  |
|  |
|  |
|  |
| Do you require any further information on licensing within the private sector?   |
| □ Yes □ No   |
|  |
| Energy Efficiency  |
| Are you aware of the energy efficiency improvement work Darlington Borough Council has been undertaking within the Private Sector?                     |
| I Yes I No   |

What do you think Darlington Borough Council should be doing to address issues around energy efficiency within the private sector?

Comment:

Do you require further information on energy efficiency measures?

🗖 Yes 🗖 No

# **Partnership Working**

Partnership working is very important to Darlington Borough Council in the development of a strong private sector housing market within the Borough. How do you believe that partnership working could be improved between private landlords and the Council?

Comments:

# Action Plan

| Action and Outcome                   | Targets and Milestones                      | Resources          | Progress                    | Officer       |
|--------------------------------------|---|--------------------|-----------------------------|---------------|
| Re-commission a Private Sector       | Invite submissions to tender                | 75k from within    | Tender documentation to be  | Alan Glew     |
| Stock Conditions Survey, which       |   | Capital Programme  | sent out December 2006      |               |
| will provide the evidence base we    | Commission survey                           | -                  | Survey commissioned to be   | Alan Glew     |
| need to consider longer-term         |   |                    | January 2007                |               |
| strategic aims                       | Final report available                      | -                  | March 2007                  | Alan Glew     |
| Implement the Financial              | Advertising campaign to make residents      | Existing Resources | Information campaign about  | David Burrell |
| Assistance Policy                    | aware of financial assistance policy        |                    | FAP to be carried out       |               |
|                                      |   |                    | March 2007                  |               |
|                                      | Ensure private landlords are aware of       | Existing Resources | Information to be made      | Gillian Fox   |
|                                      | financial assistance available to bring     |                    | available to landlords      |               |
|                                      | properties up to habitable standard         |                    | through the Landlords       |               |
|                                      |   |                    | Forum and newsletters by    |               |
|                                      |   |                    | March 2007                  |               |
|                                      | Monitor the take up of Financial Assistance | Existing Resources | Monitoring to take place by | Sarah Wilson  |
|                                      | Policy by members of BME community          |                    | March 2007                  |               |
|                                      | Ensure that older people are aware of       | Existing Resources | Presentation to be made to  | David Burrell |
|                                      | financial assistance available              |                    | GOLD March 2007             |               |
| Monitor performance of Housing       | Monitor service against BVPIs quarterly     | Existing Resources | Quarterly                   | Alan Glew     |
| Renewal Service against key          |   |                    |                             |               |
| BVPIs, best performing               |   |                    |                             |               |
| authorities and Tees Valley          |   |                    |                             |               |
| Partners                             |   |                    |                             |               |
| Consult and engage with service      | Residents within the private sector to be   | Existing Resources | Questionnaires and          | David Burrell |
| users to ensure that they have a     | contacted by letter to comment on issues    |                    | comments forms to be sent   |               |
| role in formulating and reviewing    |   |                    | out March 2007              |               |
| the new policy and strategy          | Consultation event to be arranged with      | Existing Resources | Consultation event to be    | Alan Glew     |
|                                      | residents of the private sector             |                    | arranged for March 2007     |               |
| Impact assess any new strategy to    | Impact assessment to take place before the  | Existing Resources | Impact assessment to be     | Alan Glew     |
| ensure that it is accessible to, and | new Private Sector Housing Renewal          |                    | carried out December 2006   |               |
| meets the needs of all of our        | Strategy is published                       |                    |                             |               |
| residents, regardless of their       |   |                    |                             |               |
| ethnicity, age, disability or        |   |                    |                             |               |
| vulnerability                        |   |                    |                             |               |

| Action and Outcome  | Targets and Milestones  | Resources          | Progress   | Officer/Partner |
|---|---|--------------------|--|-----------------|
| Develop formalised policies and<br>procedures, ensuring that we have<br>appropriate and accessible public<br>documents  | Electronic policy documents developed and available on the internet   | Existing Resources | Documents available on<br>Council website by April<br>2007   | Sarah Wilson    |
| Promote the work undertaken,<br>ensuring that all information<br>available to the public is up to<br>date, relevant and accessible                                | Review website information bi-annually to<br>ensure that it is up to date and appropriate   | Existing Resources | Information to be available<br>on the internet by April<br>2007 – this will be reviewed<br>bi-annually                               | Alan Glew       |
|   | Produce customer information leaflets   | Existing Resources | Leaflets printed and<br>available to the public by<br>April 2007   | David Burrell   |
| Examine how best to target<br>'difficult to reach' client groups<br>and ensure that their needs are<br>met through the Private Sector<br>Housing Renewal Strategy | Identify which groups are 'difficult to<br>reach' and develop the strategy accordingly  | Existing Resources | Research to be carried out<br>into 'difficult to reach'<br>groups and best practice<br>nationally to be carried out<br>by March 2007 | Sarah Wilson    |
| Further develop relationships with landlords in the private sector  | Consider the implications of the introduction of tenancy deposit schemes  | Existing Resources | Await further Government<br>Guidance   | Alan Glew       |
|   | Continue to encourage landlords to become accredited  | Existing Resources | Options for further<br>incentives to be explored by<br>March 2007  | Gillian Fox     |
|   | Arrange consultation event with private<br>landlords on issues within the private<br>sector and the impact of the Housing Act<br>2004 | Existing Resources | Event to be arranged for<br>April 2007 and annually<br>thereafter  | David Burrell   |
|   | Explore the possibility of extending private<br>sector leasing schemes in order to provide<br>more housing for homeless households    | Existing Resources | Undertake Value for Money<br>appraisal with Housing<br>Options by the end of April<br>2007   | Alan Glew       |
| Ensure implementation of appropriate legislation arising  | Develop a multi-departmental approach to the enforcement of the HHSRS   | Existing Resources | Explore joint training<br>initiatives by January 2007  | David Burrell   |
| from the Housing Act 2004   |   | Existing Resources | Develop multi-agency<br>protocol with other qualified<br>visiting officers within<br>Environmental Health by<br>January 2007         | Alan Glew       |

## Bibliography

Department for Communities and Local Government: A Decent Home: Definition and Guidance for Implementation June 2006 Update

Independent Inquiry into Inequalities in Health - Sir Donald Acheson 1998

Housing Act 2004

English House Conditions Survey (2001)

North East Regional Housing Strategy

Focus on Older People (Office of National Statistics) 2004

Opportunity and Age: Opportunity and security Through Life (DWP) 2005

Housing Act 1996 (Housing Grants, Construction and Regeneration Act)

# Index of Tables

| Pg 10 | Population Age Demographics<br>Population Age Projections for Darlington (2003 – 2021) |
|-------|--|
| Pg 11 | Darlington Household Composition   |
| Pg 12 | Household Predictions by Housing Type<br>Housing Tenure                                |
| Pg 13 | Housing Type   |
| Pg 14 | Housing Age  |
| Pg 15 | Socio-Economic Circumstance  |
| Pg 16 | Rent Levels<br>Employment and Unemployment Benefits                                    |
| Pg 17 | Disability and Long-Term Ill Health  |