

## Report for Resolution

**Report to** Executive  
15 October 2008

**Report of** Head of Strategic Housing Services

**Subject** Privately Rented Accommodation: Charges for  
Enforcement Activity and Financial Assistance to Landlords

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### Purpose

To consider implementation of a scheme of formal assistance to landlords and charges for enforcement activities.

### Recommendations

1. To offer financial incentives to landlords in the private rented sector to carry out home energy efficiency improvements
2. To charge landlords of sub-standard accommodation where it has been necessary to take formal enforcement action.

### Financial Consequences

There are no new capital costs resulting from these proposals. Provision has been made within the existing approved private sector renewals capital programme to make grants to landlords up to a maximum spend of £140,000.

Charging for enforcement action is principally designed to persuade landlords to deal with sub-standard accommodation in a more timely manner thereby reducing enforcement costs. However, a small number of cases are likely to result in formal action for which charges would be imposed. Annual income from these charges is estimated to be in the region of £5,000 although this would be open to wide variation.

The Financial Control Manager has advised that these charges are outside the scope of VAT as we are exercising a statutory function.

If approved, the charges will come into effect from the 1<sup>st</sup> November 2008. They will be reviewed annually on the first of April and increased in line with the retail prices index.

### Risk Assessment

The Solicitor to the Council has advised that recovery of charges from landlords can be a lengthy and time consuming process. Each case will therefore be examined on its merits before a charge is made to ensure that the benefits of charging are not outweighed by the costs of recovery.

The principal risk is low take-up of grant assistance by landlords. This is considered to be low following consultation with local landlords and the Eastern Landlords Association.

### **Strategic Priority and Outcome/Service Priorities**

The report helps to meet the strategic priority “Safe and healthy neighbourhoods – working in partnership with residents to create neighbourhoods where people feel secure, where the streets are clean and well maintained, where there is good quality housing and local amenities and where there are active local communities” and the service plan priority of tackling excess cold and poor thermal comfort in private sector housing.

**Executive Member:** Councillor Arthur - Housing and Adult Services

**Ward:** All

### **Contact Officers**

Paul Swanborough

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### **Background Documents**

Draft policy on Charging for Notices

Draft Policy on ‘Warm Let’ Grants

## Report

### Charging for Enforcement Action

1. Section 49 of the Housing Act 2004 gives councils the right to make such reasonable charge as they consider appropriate as a means of recovering certain administrative and other expenses incurred by them in serving a range of notices and orders. These expenses include the costs of carrying out inspections to determine an appropriate course of action in addition to the administrative costs of preparing and serving the notices and orders.
2. Currently there is no immediate penalty that can be imposed on landlords for failing to remove a serious hazard to health and safety. There is therefore little incentive for less responsible landlords to carry out improvements until such a time as an inspector has identified the problems and served a notice or order.
3. The service of notices and orders is a time-consuming and complex administrative task which significantly restricts the number of cases that a private sector housing officer can deal with at any one time.
4. An additional problem with the service of notices is that the only remedy for non-compliance is to take the landlord to court. A prosecution is a significant undertaking and is only realistically an option in the case of the most severe cases of non-compliance. This makes it possible for a landlord be uncooperative in responding to a notice which, again, has the effect of tying up valuable officer resource.
5. In order to provide an incentive to landlords to remedy poor conditions promptly it is proposed to impose charges for the service of notices and orders as indicated in the draft policy attached to this report. Although the total costs in each case will depend on the number of hazards identified, the average cost for a notice will be £320 rising to £460 for a house in multiple occupation. The Local Authorities Coordinators of Regulatory Services (LACORS) has reported that the charge imposed by local authorities across England ranges from £150 to £420 per notice with the average being around £300. These charges would be reviewed annually and adjusted to take into account any increases in staffing costs etc.

Charging will also provide a small amount of revenue income to the private sector housing team to enable it to administer its enforcement programme more effectively.

6. Where, following an inspection, a severe hazard or evidence of poor management warrants immediate action a notice will be served and the charge imposed.

For less severe hazards landlords will be able to avoid a notice and a charge by taking the necessary remedial action within an agreed period of time.

## **Providing Financial Assistance to Landlords to Improve Home Energy Efficiency**

7. The Regulatory Reform Order (Housing Assistance) (England and Wales) Order 2002 allows a local housing authority to provide any form of assistance to any person for the adaptation, improvement or repair of living accommodation.
8. Landlords have a responsibility to ensure that the properties that they let meet certain minimum standards. These standards are generally quite low so, for example, a privately let house with a very low energy efficiency (SAP) rating of 40 would probably meet the minimum standard and no formal action could be taken to achieve a more reasonable rating that could help to prevent fuel poverty. Landlords generally do not benefit directly from installing improved energy efficiency measures so there is little incentive for them to do so.
9. The council offers interest free loans and grants to owner occupiers to carry out repairs and improvements to their homes which includes assistance towards achieving higher levels of thermal comfort and energy efficiency. The fact that similar assistance is not currently offered to landlords creates an unequal situation with private sector tenants receiving less help towards better living conditions than owner-occupiers.
10. The Greater Norwich private sector stock condition survey 2006 indicated that 40% of the private rented sector in Norwich fails the decent homes standard (compared with 25% of owner-occupied homes), the principal cause of failure being poor thermal comfort (20% compared with 6% for disrepair). There is, therefore, a strong case in favour of action to improve thermal comfort in privately rented accommodation to reduce the number of non-decent homes in the City.
11. It is proposed to introduce a 'Warm Let' grant to encourage landlords to carry out energy efficiency improvements to their properties. The eligible works will be the ones identified on an energy performance certificate for the property which the landlord will have to supply with the application. Funding will be drawn in from our energy supplier partner under the Norwich Warm Homes Project for basic insulation measures. Extra funding up to a total of £6,000 will then be made available for more expensive measures such as new heating systems, double glazing and solid-wall insulation. The full details of the proposed grant are given in the attached draft policy.
12. To ensure that we don't inadvertently reward poor landlords, it will be a condition of the grant that the applicant joins our Landlord Accreditation Scheme. Accredited landlords are required to ensure that every property they let in the Norwich area complies with a property standard and is managed competently. Failure to comply with the accreditation scheme standards would result in a requirement to repay the grant.

## Warm Let Grant

### 1. Summary

Aim	To encourage landlords to bring about improvements to the energy efficiency of privately rented accommodation.
Maximum Grant	£6,000 per dwelling
Eligibility	Owners of privately rented dwellings for which there is a valid energy performance certificate.
Eligible assistance	<ul style="list-style-type: none"><li>• Up to £1,000 'top-up' to enable low-cost measures to be implemented</li><li>• Up to £1,500 towards the cost of installing energy efficient double-glazing</li><li>• Up to £1,500 towards the cost of installing energy efficient heating and/or hot water heaters</li><li>• Up to £2,000 towards the cost of installing solid-wall insulation</li></ul> <p>To be eligible, the works must be identified in the energy performance certificate as being cost-effective measures for the property in question.</p>
Fees	There are no fees
Conditions	The applicant must be a member of the Greater Norwich Landlord Accreditation Scheme. Details about how to join the scheme may be found by contacting the Private Sector Housing Team (0844 980 3333) or from the accreditation scheme website ( <a href="http://www.gnla.org.uk">www.gnla.org.uk</a> )
Repayment	The full amount of the grant must be repaid if the applicant loses his or her status as accredited landlord either through leaving the scheme voluntarily or by being removed from it for breaches of membership conditions.

## **2. Making an application**

Enquiries should be made directly to Norwich City Council Private Sector Housing:

Warm Let Grants  
Private Sector Housing  
City Hall  
Norwich  
NR2 1NH

0844 980 3333  
homeenergy@norwich.gov.uk

Applications for double glazing, heating or solid wall insulation must submit at least two competitive quotes for the work. No quotes are required for low-cost measures because these will be arranged by the council through our preferred contractors.

Unless otherwise directed by the Council, a contractor whose estimate accompanied the application must carry out the works.

Where the works are to be carried out by a member of the applicant's family, the Council will only offer assistance towards the cost of materials used.

## **3. Approving the application**

- a) The applicant must be an owner of the dwelling to which the application applies.
- b) Applicants must allow Norwich City Council to take whatever steps it considers appropriate to verify the application.
- c) The Council will not approve an application if the relevant works have been started before the application is approved.
- d) The Council may redetermine the approved amount of assistance if it is satisfied that, owing to circumstances beyond the control of the applicant, the eligible works cannot be, or could not have been, carried out on the basis of the amount of the expenses originally approved.
- e) The Council may redetermine the approved amount of assistance if it is satisfied that, owing to circumstances beyond the control of the applicant, the eligible works cannot be, or could not have been, completed without carrying out additional unforeseen works. The Council must approve variations arising from unforeseen works before they are carried out.

- f) If the works are not completed within 12 months of approval then the offer of assistance will be withdrawn. The Council may extend this period on application.

#### **4. Payment Conditions**

- a) Payment of grant is conditional on the works being carried out to the satisfaction of the Council and on receipt of an acceptable invoice for the works.
- b) Payment will be made direct to the applicant.

#### **5. Repayment of grant**

The condition of the grant requiring repayment in certain circumstances will be enforced where possible by securing the repayment as a charge on the property.

#### **6. Applications falling outside this policy**

The Private Sector Housing Manager will consider applications for assistance that fall outside of this policy.

#### **7. Appeals**

Any appeal against a decision in relation to an application should be made in writing to the Head of Strategic Housing whose decision will be final.

Head of Strategic Housing  
Norwich City Council  
City Hall  
Norwich  
NR2 1NH

[homeenergy@norwich.gov.uk](mailto:homeenergy@norwich.gov.uk)

#### **8. Complaints**

Any complaints about this policy or its implementation will be addressed through the Council's corporate complaints system. Complaints may be made on a standard form, available from the Council's reception areas. Complaints made in person, by letter or by email will be directed into the corporate scheme.

<b>POLICY</b>	<b>SUBJECT:</b> <b>Charging for Notices</b>	
<b>DATE ISSUED:</b> (Date Issued)	<b>REVIEW DATE:</b> (Date for Next Review)	
<b>ISSUED BY:</b> Private Sector Housing Team		
<b>FURTHER INFORMATION AVAILABLE FROM:</b>  Private Sector Housing Manager Business Planning Project Team Head of Policy and Improvement		
<b>RELEVANT LEGISLATION INFORMING THIS POLICY</b>  Section 49 of the Housing Act 2004 gives councils the right to make such reasonable charge as they consider appropriate as a means of recovering certain administrative and other expenses incurred by them in: <ul style="list-style-type: none"> <li>▪ Serving an improvement notice</li> <li>▪ Making a prohibition order</li> <li>▪ Serving a hazard awareness notice</li> <li>▪ Taking emergency remedial action</li> <li>▪ Making an emergency prohibition order</li> <li>▪ Making a demolition order</li> <li>▪ Declaring the area in which the premises are situated to be a clearance area</li> </ul> Administrative expenses that may be charged for include: <ul style="list-style-type: none"> <li>▪ Determining the appropriate course of action</li> <li>▪ Identifying actions to be specified in a notice</li> <li>▪ Serving the notice</li> <li>▪ Reviewing suspended improvement notices and prohibition orders</li> </ul>		

- (1) This policy applies to privately rented accommodation where hazards have been identified which would be remedied through the service of an improvement notice, prohibition order or taking emergency action.
- (2) Where a serious category 1 hazard is identified requiring the immediate service of an improvement notice, prohibition order or the taking of emergency action a charge will be made as specified in paragraph (9) below.
- (3) In other cases where the existence of a hazard would warrant the service of an improvement notice, the person on whom the notice would be served will be sent a report within 14 days clearly indicating:
  - a) the hazard;
  - b) the proposed remedy;



- (4) That person will then be given 14 days to indicate in writing what actions will be taken to remedy the hazard (a 'proposal').
- (5) If a proposal is received it will be assessed using the following criteria:
  - a) Proposed time scale
  - b) Likelihood that the actions will effectively remedy the hazard
  - c) The effect that the proposal would have on any resident
- (6) If the proposal is not acceptable then the person will be given the opportunity to discuss alternative remedies. If agreement has not been reached within 7 days, however, an improvement notice will be served.
- (7) If the proposal is accepted the person will be notified in writing within 7 days. It will then be monitored. If the agreed proposal is not followed then an improvement notice will be served.
- (8) If no proposal is received within 14 days then an improvement notice will be served.
- (9) If an improvement notice, prohibition order or emergency action notice is served then the person on whom it is served will incur the following charges:
  - a) £120 for the inspection (including preparation and travel)
  - b) £80 for each hazard report
  - c) £40 for preparation and service of the notices or orders
  - d) £140 for preparation of plans
- (10) The sum charged will be a local land charge on the premises and, if not paid within one month, will be recovered in accordance with the powers available under the Law of Property Act 1925 which include the power to appoint a receiver.