

# **Draft (Partial) Regulatory Impact Assessment**

## **Review of the Statutory Minimum Housing Fitness Standard**

**March 2016**

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### **Review of the Statutory Minimum Housing Fitness Standard, 2016**

#### **Proposed and intended effect of Measure**

The Department has committed to review the statutory housing fitness standard across all tenures with a view to putting in place an enhanced statutory minimum standard for housing across all tenures. The Department has conducted research on potential areas for change and is now seeking views on a range of options aimed at revising and amending the statutory housing fitness standard across all tenures of housing (owner occupied, private rented, social rented and other) across Northern Ireland.

The current standard is contained in Article 46 of the Housing (Northern Ireland) Order 1981 (as amended). It was last updated in 1992, and the Department is now seeking to establish those provisions which might be put in place to revise the current arrangements.

The purpose of this assessment is to consider the impact which the implementation of a revised statutory housing fitness standard may have on businesses and the ability of those working in the housing sector to carry out their business. New legislation will be required to give effect to any revision to the standard, the extent of which will be determined by the scope of the change.

#### **Objective**

The overarching objective of the project is to review the statutory fitness standard across all tenures and to put in place an enhanced statutory minimum standard for housing across all tenures in Northern Ireland. It is anticipated that, to achieve this objective, legislation will be required. The impact of a revised housing standard should lead to better living conditions, which may in turn lead to better quality of life and positive health outcomes (both physical and mental). In addition to the Do Nothing and Do Minimum (ie update the guidance on the existing standard) options, the Department has identified two primary options for change:

**Model A)** The updating of the current standard with additional criteria in relation to thermal comfort, the detection of fire and carbon monoxide, electrical safety measures and security measures. Guidance will also more robustly identify measures to prevent falls within the home.

**Model B)** The introduction of the Housing Health and Safety Rating System (HHSRS) which is a risk assessment based on the presence of any of 29 hazards. These hazards are generally grouped into four categories dealing with physiological hazards, psychological hazards, protection against infection and protection against accidents. HHSRS produces scores for a dwelling based on the statistical risk of these 29 hazards, in particular to vulnerable people. This system evaluates the impact of the defects and quantifies this. Where these hazards

are present the enforcing authority may take action depending on the severity of the hazard and the potential impact on the occupants. The HHSRS has been operation in England and Wales in place of the old statutory fitness standard since 2006.

The Department is conscious that a revision to the standard will bring changes both for enforcement and compliance, with associated costs. In order to minimise the impact of the compliance costs, the Department is considering the phasing in of the new standard, allowing additional time for compliance with the new standard. The following options appraisal seeks to explore the costs and benefits of bringing in the standard in its entirety, or the phasing in of the revised standard.

Examining the options for implementation requires some analysis of those dwellings which are currently failing the fitness standard and those which would present a requirement for compliance works where Model A or Model B is implemented. The following detail is taken from the Housing Executive’s 2011 Northern Ireland House Condition Survey.

At 2011, a total of 35,200 dwellings presented a failing in one or more of the current fitness criteria. The breakdown of failings by tenure was as follows:

| <b>Tenure</b>         | <b>Approximate number of Dwellings failing the fitness standard</b> |
|-----------------------|---------------------------------------------------------------------|
| Owner Occupied        | 4,564                                                               |
| Private Rented/Others | 2,496                                                               |
| Social Housing        | 151                                                                 |
| Vacant                | 28,000                                                              |
| <b>All dwellings</b>  | <b>35,200 (rounded)</b>                                             |

The 2011 House Condition Survey estimated expenditure of £1.6bn to meet the cost of repairing defects in dwellings. While the estimates are based on defects that extend beyond the current fitness standard, this presents a clear need to investment in dwellings across all tenures. The Department does not have an estimate of the cost to restore all dwellings to the current fitness standard, however it is assumed to be less costly than the adoption of either Model A or Model B.

If Model B was implemented across all tenures immediately, according to 2011 data the following would require compliance works:

| <b>Tenure</b>         | <b>Number of Dwellings failing the HHSRS</b> |
|-----------------------|----------------------------------------------|
| Owner Occupied        | 34,249                                       |
| Private Rented/Others | 9,349                                        |
| Social Housing        | 2,376                                        |
| Vacant                | 29,800                                       |
| <b>All dwellings</b>  | <b>75,800 (rounded)</b>                      |

The 2009 House Condition Survey estimated that some 144,400 dwellings would not have met the HHSRS requirements and the 2011 Survey data represents a significant improvement, particularly in

privately owned dwellings. At present the Department does not have data at tenure level in relation to Model A, however this is currently being sought and will be made available to interested parties for their information in due course.

### **Options**

- 1) Do nothing.**
- 2) Do minimum.**
- 3) Revised statutory standard for all tenures of housing.**
- 4) Phasing in of an revised statutory standard**

**Option 1** – to do nothing would leave the standard unchanged. At present Northern Ireland is considered to have the most basic standard of any part of the United Kingdom. The standard does not currently contain a number of criteria which many would consider among the most important matters which a standard should address, for example there is no explicit requirement for any provision in relation to thermal comfort. To do nothing would fail to meet any of the policy objectives.

**Option 2** – At present the housing fitness standard is supported by detailed advisory notes and statutory guidance to assist both the Housing Executive and Councils in discharging their functions in relation to housing unfitness. These guidance documents have been in place for a number of years and, for example, do not in all case reference current British Standards for installations. The do minimum option would see a comprehensive update of these guidance documents. The practical impact of this option is likely to be minimal, however some properties will still be required to undertake works to meet these updated measures.

**Option 3**- At present the statutory minimum standard of fitness for human habitation applies in its totality across all tenures and types of housing. Where a dwelling does not meet any one of the listed criteria, it is deemed unfit, and the enforcing authority (in practice usually Councils) must take the most satisfactory course of action with regard to any guidance provided by the Department. The ultimate consequence of the most serious defect can be the closure and demolition of the dwelling, however in practice it is preferable that remedial works are undertaken to preserve the dwelling where that is economically viable.

The option to retain a single, uniform minimum standard of fitness would ensure that all home owners and occupants were clear about the standards applicable to their dwelling. The adoption of a new uniform statutory minimum housing fitness standard would ensure a baseline below which any tenure or type of dwelling would be deemed unfit for human habitation appears the most equitable outcome. Citizens should be entitled to a modern standard of dwelling in which to live. As such, this option offers the most comprehensive approach.

**Option 4** – the adoption of an enhanced statutory standard initially only applicable to certain tenures, would (for a time) put Northern Ireland out of step with the rest of the United Kingdom, where a uniform minimum standard is in place across all tenures. In other jurisdictions (as in Northern Ireland) the social rented sector has a further (administrative) standard – Decent Homes – which encourages additional measures to improve living conditions. However the Decent Homes Standard is not an enforceable standard but rather an aspirational standard which social rented landlords are encouraged to aspire to. There is no similar enhanced standard for private rented dwellings. To pursue this option would, until parity is restored, leave owner occupied and other dwellings out of step on a lower level standard, which would be contrary to the policy objective.

The benefit of adopting this option would be that the enforcement of the standard would be restricted initially to a portion of the dwellings in Northern Ireland. Social rented dwellings are generally required to meet the Decent Homes standard and are therefore already attaining many of the additional criteria that either Model A or Model B would require. The compliance burden would therefore be somewhat reduced.

In practice fitness inspections are most often undertaken on request (usually on complaint) and in most circumstances inspections take place in the private rented sector. There are however some instances of inspections taking place in the social rented and owner occupied sectors. It is likely that the majority of new enforcement and compliance measures would therefore initially fall to the private rented sector under this phased approach.

Options 2 and 3 (incorporating the roll out of Model A or Model B) represent the basis upon which the Department is seeking views. The Department’s discussion paper seeks views from interested parties on what form of revised standard is needed and is most appropriate for Northern Ireland, and how any new standard should be implemented.

## **Benefits**

**Option 1 – Do Nothing.** This option holds no additional benefits for home owners, tenants, and landlords or for wider society.

### **Option 2 - Enhanced statutory standard for all tenures of housing.**

The benefits of a revised statutory fitness standard, whether that be an enhanced version of the current fitness standard or the introduction of the Housing Health and Safety Rating System, are many and have the potential to be significant. It is widely accepted that poor housing conditions contribute to lower educational attainment, poorer physical and mental health and to overall quality of life. The positive impacts which a revised standard could produce include:

- A reduction in casualties and fatalities from accidents in the home (including fire/electrical/noxious gas related events and falls);
- Reduced cost burden to the NHS through a reduction on harmful incidents in the home, including a potential reduction in cold-related illness;
- Improved mental health and sense of wellbeing (generated by pleasant surroundings with reduced fear of accident or entry by intruder);
- Improved housing stock for owners (whether owner occupiers, landlords or others) as both a personal and a business investment.

It is important to note that while there may be many benefits resulting from the investments required to meet a revised standard, it may not always be the party who finances the investment who will reap the greatest benefits. For example, in the rented sectors, the landlord (whether Housing Executive, Housing Association or private landlord) will finance the cost of works required in compliance with a new standard. Landlords will derive benefit from any uplift in the value of their properties as a consequence of enhancement works. There is also the potential that tenants' use of properties will maintain the property in good condition, for example where a home is more cost effective to heat and ventilate under new mandatory requirements, tenants may see a reduction on energy bills and may therefore be better placed to heat and ventilate their home with greater regularity, thus ensuring the proper maintenance of the fabric of the building and its contents. The tenants within these properties will derive many direct benefits, not least potential reduction in running costs (for example heating), and improved physical and mental health benefits which are, to the individual, hard to measure simply in monetary terms. Furthermore, wider society may reap the benefits of a reduction in ill-health associated with poor housing, a decline in accidents in the home and the associated cost to the NHS in treating these casualties and to the wider economy through working days lost.

Ensuring that homes are properly maintained in a state of repair which contributes to the prevention of falls within the home can assist in preventing the physical, psychological, financial and emotional damage of an injury caused by a fall at home. Actions which can contribute to a reduction in falls in the home can reduce the numbers of casualties (including fractures) which will have an impact on reducing costs and pressures on the NHS, can reduce the number of working days lost, and can reduce the sense of vulnerability felt by a person recovering from such preventable injury.

Ensuring adequate provisions are in place to protect occupants from the risk of fire, particularly from poor, old or faulty electrical wiring, and the inclusion of measures for the detection of fire and carbon monoxide provide reassurance that people remain safe from harm from the effects of smoke, fire, electrocution and carbon monoxide in their home. Furthermore, the requirement to ensure sufficient measures are in place will also give owners and landlords peace of mind that their property and investment is protected from

the threat of damage or destruction. Such measures may also have a positive effect on home insurance premiums.

Additional measures can help householders increase the enjoyment of their home, can help prevent accident and injury and can help improve the investment value of the property, irrespective of which of the proposed methods.

**Option3 - Enhanced statutory standard by tenure on a phased basis.** This option provides benefits to the owner, landlord and the tenant as was identified under Option 2, however initially at a more restricted level whereby it does not apply to all tenures of dwelling immediately, but rather phased in over a number of years. As such the outturn benefit is initially lower than that resulting from Option 2, however over time the full range of benefits can be realised once the revised standard is applicable across all tenures and all dwellings.

### **Business Sectors Impacted**

1. Landlords:

- (a) Social Landlords –Housing Executive, Housing Associations.
- (b) Private Landlords.

2. Enforcement bodies:

- (a) Northern Ireland Housing Executive.
- (b) Councils.

3. NI Courts – where enforcement action concludes in legal proceedings.

4. Advisory and support bodies, eg Housing Rights Service.

5. The construction industry – as a consequence of repair, improvement and building works arising from a revised standard.

### **Other Impact Assessments**

An Equality Screening has been carried out in respect the wider proposals contained within the options identified. At this point it is not deemed that an Equality Impact Assessment is required, however this will be reviewed as the policy develops.

Rural proofing has also been considered as, given the propensity for unfit dwellings to be located particularly in isolated rural areas. The proofing indicated that while amending the standard has the potential to impact on all dwellings, and perhaps particularly on rural dwellings where a higher instance of unfitness is generally present, the proposals would not have a disadvantageous impact on rural areas.

## Costs

Studies indicate that, whether applying the current standard, an enhanced physical standard or the HHSRS, the main cost to compliance for the public (including businesses – specifically private landlords and social housing providers) would come from measures to address any new criteria which form part of the revised arrangements. Evidence to date suggests that the most costly element of Model A or Model B will be the introduction of specific provision on thermal comfort or the prevention of excess cold.

### Implementing Model A – the current standard including additional criteria

A revised version of the current housing fitness standard incorporating additional provisions relating to thermal comfort, the detection of fire and carbon monoxide, enhanced security to prevent falls between levels/entry by intruders and electrical safety. Furthermore, the existing guidance would be updated and enhanced. This could in turn help clarify the administering authority's position, and help reduce the instances of injury and fatality of, for example, falls within the home. The document provides further detail and rationale in relation to this proposal.

The Housing Executive Research Unit has provided data in relation to the likely instances of these hazards emerging from the 2011 house condition survey, however these figures are based on a small sample size and are treated as indicative.

The works required are estimated to be similar to those reflected in addressing the Category 1 hazards (above) and are estimated in the table below. It should be noted that these costs relate to all dwellings, including vacant dwellings. These figures are based on estimates of costs made by the Building Research Establishment (BRE) in an exercise undertaken for the Housing Executive in 2015. It is important to note that not every dwelling will require works to achieve compliance. Furthermore, the costs identified below relate to the costs of the additional measures identified under Model A. The costs of compliance with the current 9 fitness criteria are not available at this point, however the Department is undertaking research to estimate overall costs, and will share these with stakeholders in due course.

| <b><i>Hazard</i></b>                                | <b><i>Mean cost to undertake repair works (2015)<br/>(£)</i></b> |
|-----------------------------------------------------|------------------------------------------------------------------|
| <b>Thermal Comfort/Excess Cold</b>                  | 1,554                                                            |
| <b>Carbon monoxide and fuel combustion products</b> | -                                                                |
| <b>Electrical hazards</b>                           | 2,352                                                            |
| <b>Fire</b>                                         | 15,051                                                           |
| <b>Entry by intruders</b>                           | 3,471                                                            |



## Implementing Model B the Housing Health and Safety Rating System

Building Research Establishment (BRE) produced a report for the Housing Executive, entitled 'The Cost of Poor Housing in Northern Ireland'<sup>1</sup> in 2012 applying the same model to Northern Ireland using data from the NIHCS 2011. Although the model uses HHSRS rather than the fitness standard as a basis for its calculations, the results show the potential benefits of addressing some of the areas that the Housing Fitness standard currently does not cover including the potential consequences of falls and poor thermal efficiency.

The 2012 report indicated that there is proportionately less poor housing in Northern Ireland than in England and Wales, predominantly because housing stock here is generally more modern.

Using their model, BRE claims that investment to reduce Category 1 hazards to an acceptable level in Northern Ireland will benefit the Health Service here on an annual basis by around £33m with a payback period of 12.8 years. BRE further estimates that the full cost of living with poor housing here is £82m. The much shorter payback period in Northern Ireland can be attributed to the much smaller volume of homes affected by excess cold, which by far has the highest payback period of all hazards within the HHSRS.

BRE researchers indicate that their model underestimates the benefits to the public purse and does not include benefits to the individual in either financial or quality of life terms. While various schemes across government such as Warm Homes, Fire Safety campaigns, Accident Prevention strategies etc, have all gone some way reducing these associated costs, research indicates that focussed investment based on the unfit profile can provide significant further benefits to the public purse.

Data from the 2012 BRE report was based on indicative housing numbers identified within the 2009 NI House Condition Survey. The Housing Executive Research Unit has provided the following data in relation to the likely instances of these hazards emerging from the 2011 house condition survey, however these figures are based on a small sample size and are treated as indicative. Data indicates that the most common Category 1 hazards present across all occupied dwellings in Northern Ireland, and the estimate of cost to remediate them, is as follows:

| <b>Hazard/Criteria</b>         | <b>Number of Occupied Dwellings</b> | <b>Mean cost (estimate) (£)</b> |
|--------------------------------|-------------------------------------|---------------------------------|
| <b>Food safety</b>             | 2,653                               | 2,987                           |
| <b>Excess Cold</b>             | 27,376                              | 1,554                           |
| <b>Personal hygiene</b>        | 1,783                               | 1,479                           |
| <b>Falls on stairs</b>         | 8,079                               | 2,423                           |
| <b>Falls on level surfaces</b> | 3,557                               | 2,427                           |
| <b>Water supply</b>            | 1,697                               | 249                             |

<sup>1</sup> [http://www.nihe.gov.uk/cost\\_of\\_poor\\_housing\\_in\\_ni.pdf](http://www.nihe.gov.uk/cost_of_poor_housing_in_ni.pdf)

|                             |       |        |
|-----------------------------|-------|--------|
| <b>Falls between levels</b> | 2,653 | 2,495  |
| <b>Damp and Mould</b>       | 540   | 1,000  |
| <b>Fire</b>                 | 944   | 15,051 |
| <b>Entry by intruders</b>   | 446   | 3,471  |

The incidence of the less common Category 1 hazards in occupied dwellings, and the estimate of cost to remediate them, is provided in the table below.

| <b>Hazard/Criteria</b>     | <b>Number of dwellings</b> | <b>Mean cost (estimate) (£)</b> |
|----------------------------|----------------------------|---------------------------------|
| <b>Lead</b>                | 5,563                      | 1,753                           |
| <b>Domestic hygiene</b>    | 1,186                      | 2,335                           |
| <b>Radon</b>               | 5,964                      | 1,188                           |
| <b>Electrical safety</b>   | 446                        | 2,352                           |
| <b>Structural collapse</b> | 413                        | 413                             |
| <b>Carbon monoxide</b>     | Unknown                    | Unknown                         |

The data provided in the two tables above do not reflect costs against 11 of the 29 HHSRS hazards, and are therefore indicative, rather than exact costs. Furthermore, as the costs relate to those dwellings which were unfit at 2011, interventions which have taken place in the interim are not accounted for.

Under Model A the additional criteria are broadly similar to the excess cold, prevention of entry by intruders, fire safety, electrical safety and carbon monoxide HHSRS hazards. The numbers of occurrences where these hazards are present and which may require works to comply under Model A would amount to 48,808. This does not necessarily equate to 48,808 dwellings as some dwellings may need works on more than one of these additional criteria.

Among dwellings with a Category 1 hazard, 56% have one such hazard and a further 14% have two hazards. At the other end of the scale some 16% of these dwellings have between 6 and 14 hazards, the vast majority of these being vacant dwellings.

The following table has been created using hazard occurrence data provided by Housing Executive Research Unit in relation to the most recent (2011) NI House Condition Survey, and mean costs of remedial works obtained from BRE (in 2015). This indicates the spread of costs across dwellings and represents an indication of likely costs across all occupied dwellings to address some of the most commonly occurring Category 1 hazards, if Model B (HHSRS) were introduced. Again, it is important to note that many dwellings will require no works to meet the HHSRS requirements, and that those dwellings which require works are unlikely to require works to address all hazards.

| <b>Hazard</b>                                       | <b>Mean repair cost per dwelling (2015)<br/>(£)</b> |
|-----------------------------------------------------|-----------------------------------------------------|
| <b>Damp and mould growth</b>                        | 1,000                                               |
| <b>Structural collapse and falling elements</b>     | 413                                                 |
| <b>Excess Cold</b>                                  | 1,554                                               |
| <b>Carbon monoxide and fuel combustion products</b> | Unknown                                             |
| <b>Lead</b>                                         | 1,753                                               |
| <b>Radon (radiation)</b>                            | 1,188                                               |
| <b>Lighting</b>                                     | Unknown                                             |
| <b>Water supply for domestic purposes</b>           | 249                                                 |
| <b>Domestic hygiene, pests and refuse</b>           | 2,335                                               |
| <b>Personal hygiene, sanitation and drainage</b>    | 1,479                                               |
| <b>Falls on the level</b>                           | 2,427                                               |
| <b>Falls associated with stairs and steps</b>       | 2,423                                               |
| <b>Falls between levels</b>                         | 2,495                                               |
| <b>Electrical hazards</b>                           | 2,352                                               |
| <b>Fire</b>                                         | 15,051                                              |
| <b>Hot surfaces and materials</b>                   | Unknown                                             |
| <b>Entry by intruders</b>                           | 3,471                                               |

The current fitness standard includes direct and indirect provisions in relation to, for example, water supply, the presence of damp, adequate heating, and the prevention of excess cold. Therefore not all of the costs listed above can be considered as additional to the cost of meeting the current standard. The 2012 BRE report indicated that the average cost per dwelling for reducing category 1 (the most serious) HHSRS hazards to an acceptable level as £4,047.

At this juncture the Department does not have data on the projected compliance costs by tenure, therefore it is not possible at present to quantify the compliance costs of the phased approach to implementation as envisaged under Option 3 (above). The Department is undertaking research to determine cost estimates by tenure, and will share these with interested parties once these are available.

#### Potential impact of additional costs

It is recognised that the additional burden of costs, both on business and individuals alike, in terms of complying with an augmented standard, will have a financial impact. It is possible, where a dwelling requires considerable additional works to meet an augmented standard, that the property owner will not be in a position to secure finance (whether personal finance or government assistance) to undertake the necessary works. In such a case, the owner (where it is the owner occupier) may decide to sell the property and move to an alternative dwelling. Where the owner is a private landlord, they may consider that the

financial viability of undertaking compliance works is compromised and may, as a result sell the property and therefore remove it from use in the private rented sector.

In respect of the social rented sector, planned maintenance and compliance with the higher Decent Homes standard means that while dwellings may not have met the standard at the point in time when the Survey was conducted, these works may have subsequently been completed or are planned to be completed. Therefore it is fair to assume that a proportion of likely expenditure identified may not be additional. Furthermore, schemes like Boiler Replacement and Affordable Warmth are providing measures which help to meet thermal comfort/excess cold prevention. Therefore the anticipated costs to owner occupied and private rented dwellings are likely to already have been depleted by these interventions. The costs in this paper therefore represent the highest anticipated level of costs, however outturn costs could be significantly lower.

### **The Small Business Impact Test**

It is estimated that there are approximately 125,000 enterprises in Northern Ireland. While there are around 37,000 businesses in Northern Ireland employing staff, only 135 employ 250 staff or more, therefore the contribution of small businesses to the Northern Ireland economy is of significance. Small businesses are estimated to make up approximately 97% of all NI business stock.

In terms of the businesses most likely to be impacted by the proposals, irrespective of Model or Option selected, are private rented sector landlords. This is generally because housing fitness is usually inspected on complaint and the majority of complaints in relation to dwelling conditions are brought forward in respect of private rented dwellings.

The majority of private rented sector landlords in Northern Ireland operate on a small scale, evidenced by research undertaken by the University of Ulster in 2011<sup>2</sup> on behalf of the Northern Ireland Housing Executive which indicates that approximately 70% of responses were small scale landlords owning 5 properties or less. The introduction of a new statutory minimum housing fitness standard will impact on all private rented sector landlords as all of their rented dwellings must meet the standard. Over 43,000 landlords have registered with the Landlord Registration Register and have given details of over 92,000 properties. However, according to the 2011 Census, only 2,051 identified 'Landlord' as their main occupation, meaning that many who are operating as private landlords are not operating these within a small business, and are operating these as private individuals. The Landlord Register also shows that the average number of properties per landlord is 2.24. The majority of landlords (67%) own 1 or 2 properties while only 7% of landlords own 5 or more.

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<sup>2</sup> 'Gray, P. and McAnulty, U (2011): Private Rented Sector in Northern Ireland. Living in the Private Rented Sector: Landlord Perspectives Report. Report 6'.

Irrespective of whether Model A or Model B is the new standard, compliance is likely to incorporate additional requirements; however a number of landlords' properties may already be compliant with the new standard. This initial process seeks to determine the likely additional cost to landlords of attaining compliance with the standard. The Department is also separately seeking to determine the likely costs on a tenure basis and the outworking of this research will be published once it is available.

The proposed changes are likely to have a positive impact on small businesses engaged in building, repair and renovation works. It is likely that, in order to comply with the new standard, these companies will be called on to carry out works, providing stimulus to this beleaguered sector within the economy.

It is expected therefore that the new arrangements will have an impact on these businesses. The Department is seeking views, particularly from small businesses, on how the proposed changes will impact their business. The Department is engaging with housing providers (social and private rented) and take their views on the potential impact of the policy. We will listen to their perspective on what the impact of the proposed change may be and take account of any additional costs.

### **Enforcement & Sanctions**

At present failure to comply with the housing fitness standard can lead to a number of outcomes, irrespective of tenure. Once it has been established that a dwelling is not fit for human habitation, by virtue of the dwelling's inability to meet one or more of the statutory conditions, the enforcing authority can initiate proceedings.

As a first step the enforcing authority informs the owner (and occupant) that the dwelling is unfit, outlines the works required to restore it to fitness and the associated timescale (to be not less than 21 days following the appeals period). The enforcing authority has the discretion to allocate a reasonable timescale depending on the nature and scale of the required works. The owner has a period of 28 days to appeal.

In certain circumstances, where the dwelling is the subject of a private tenancy which is a statutory or protected tenancy, the rent payable for the dwelling may be controlled until the dwelling is returned to fitness.

The enforcing authority will re-inspect the dwelling following the agreed timescale of completion of works. If the works have been satisfactorily completed any associated restrictions are lifted. If works have not been completed the enforcing authority has the discretion to either undertake the works and claim the costs back from the owner over an agreed timescale, or to refer the matter to the county court. The person upon whom the notice was served may then be liable to summary conviction and a fine not exceeding level 4 on the standard scale (currently £2,500).

Where the enforcing officer determines that the most satisfactory course of action is to close or demolish the dwelling (taking into account any guidance provided by the Department) it may issue a closing order or demolition order, and the dwelling cannot be occupied once such an order is in place. Any person breaching such an order, or permitting such an order to be breached, shall be guilty of an offence and liable on summary conviction to a fine not exceeding level 5 on the standard scale (currently £5,000) plus a further fine not exceeding £10 for every day on which he so uses the premises, or allows the premises to be used, after conviction.

### *Civil penalties*

The current fitness regime in Northern Ireland relies on criminal offences as a means of control to ensure compliance and deal with non compliance in a punitive manner.

### *Control of Rent*

Under the provisions of the Private Tenancies (Northern Ireland) Order 2006, if a dwelling let under a private tenancy is unfit for human habitation, subject to the dwelling having been constructed before 1945, the Rent Officer for Northern Ireland may control the rent on such a dwelling until it is restored to fit for human habitation. This acts as a further incentive for private landlords to ensure any relevant dwellings are made and maintained fit for human habitation.

The enforcement and sanctions are likely to be similar under any revised standard, however this will be examined further as the policy develops and, where necessary, the impact assessment will be revised accordingly.

### **Monitoring & Review**

The publication of a discussion document represents the initial phase in exploring public views on the need for and extent of any change. This will result in the development of proposals for public consultation. Following the completion of a future consultation, the proposals for change will be evaluated prior to the implementation of any new arrangements. Ongoing monitoring will take place to assess and measure the impact and contribution towards achieving the primary objectives.

### **Consultation**

| <b>Date</b>             | <b>Issue</b>                                                                                                                                                                                          |
|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| October – December 2012 | Strategy for the private rented sector (Facing the Future Housing Strategy 2012-2017) includes measures for reviewing and revising the statutory minimum housing fitness standard across all tenures. |
| To be scheduled         | Departmental consultation on proposals to amend the statutory housing fitness standard “Review of the Statutory Minimum Housing Fitness Standard for all tenures of dwelling.”                        |

## **Summary & Recommendations**

In summary, the views received in response to the Department's published proposals setting out options for the amendment of the current statutory housing fitness standard, will assist the Department in further determining the extent of regulatory impact on business of the model proposed.

The Department, as part of its future consultation and analysis, will consider the evidence received in determining its final proposals for implementation. This will take into account a range of factors, including the regulatory impact of the final proposals. A further iteration of the impact assessment will therefore be published in due course.

**March 2016**