

Housing policy and poor-quality homes

Executive summary

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About us

Centre for Ageing Better

The UK's population is undergoing a massive age shift. In less than 20 years, one in four people will be over 65.

The fact that many of us are living longer is a great achievement. But unless radical action is taken by government, business and others in society, millions of us risk missing out on enjoying those extra years.

At the Centre for Ageing Better we want everyone to enjoy later life. We create change in policy and practice informed by evidence and work with partners across England to improve employment, housing, health and communities.

We are a charitable foundation, funded by The National Lottery Community Fund, and part of the government's What Works Network.

The Good Home Inquiry

The Good Home Inquiry is an evidence-based analysis of England's housing policies to determine the causes of, and solutions to, the poor-quality of so much of our housing.

The Inquiry will run until autumn-2021 in order to establish why so many of England's homes are in poor condition, as well as exploring what we need in a good home.

The Good Home Inquiry is commissioned and supported by Ageing Better and independently chaired by David Orr CBE. He is joined by a panel of three leading experts – Lord Victor Adebawale CBE, Vidhya Alakeson, and Pat Ritchie CBE – bringing a diverse range of experience and expertise to the Inquiry.

The Inquiry supports the Centre for Ageing Better's goal that by 2030 more people aged 50 and over will live in homes that support them to live healthy and fulfilling later lives.

The UK Collaborative Centre for Housing Evidence

The UK Collaborative Centre for Housing Evidence is a consortium of 14 institutions led by the University of Glasgow. The centre, which was established in August 2017, is a multidisciplinary partnership between academia, housing policy and practice. Over the course of the five-year programme, CaCHE researchers are producing evidence and new research to contribute to tackling the UK's housing problems at a national, devolved, regional, and local level.

About the authors

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Introduction

This report presents a series of recommendations for addressing the widely acknowledged crisis in housing quality in England and its impact on older people.

The report [Home and Dry: the need for decent homes in later life](#) details the problem of poor-quality housing in England and its impact on society. Despite the scale of the problem, the national framework for tackling the problem of poor-quality housing has fallen into disrepair. Funding has been cut, interventions have been withdrawn, advice and guidance is often hard to find, and enforcement of statutory duties has faltered.

In 2020, the Centre for Ageing Better launched the [Good Home Inquiry](#), an evidence-based analysis of England's housing policies to determine the causes of and solutions to the problem of poor-quality housing. This study is one of a number

commissioned by Ageing Better to support the work of the Inquiry. It set out to answer three key questions:

1. What housing policies and programmes have been implemented in the past to address poor-quality housing, and which were successful and why?
2. What policies would be most effective in addressing the poor-quality of our current housing stock, given political, economic and social considerations?
3. For a small number of shortlisted policies, how much would this cost, who would have to pay, what would the impact be?



The national framework for housing improvement



Housing is a valuable national asset. Primary responsibility for maintaining this asset falls on property owners, but government has also long played a role in protecting this national resource. Central government has provided a legal and financial framework for housing improvement. Local government and NHS partners have delivered housing improvements, working within this framework and in partnership with other local organisations, such as Home Improvement Agencies (HIAs).

In recent years, various cracks and fissures have emerged within this approach to housing improvement. Local authorities have suffered cuts in funding, leaving many struggling to fulfil statutory duties. Central government has dramatically cut funding for programmes that promote the repair and improvement of private housing. This has undermined the capacity of local authorities and their partners to provide loans or grants, equipment and materials, and advice and guidance.

Tackling the housing quality crisis necessitates filling these gaps in the housing improvement framework. There are three particular priorities for action.

1. Enforce housing quality standards

Central government has developed a clear set of rules to improve housing standards. Local authorities are responsible for enforcing these rules and have duties to: monitor and tackle poor housing conditions; tackle problems in the private rented sector; and provide information and advice on housing to help people meet care and support needs.

The fact that over four million homes in England are classed as non-decent inevitably prompts questions about the effectiveness of enforcement to secure compliance with current legislation. Resource availability is key here. Local authorities have experienced major cuts in core funding since 2010 and face the challenge of enforcing standards and meeting needs with diminishing resources. This is at a time of increasing demand for these services driven by factors including population ageing and rapid growth of the private rented sector.

Local authorities need the resources required to fulfil their duties and enforce the law. This includes a more proactive approach to identifying poor conditions and enforcing remedial works, tackling problems in the private rented sector and the fulfilment of responsibilities under the Care Act 2014. Reliable, longer-term funding streams are required if we are to deliver on the ambition of increased comfort and wellbeing and the protection of a major national asset – housing stock – for the benefit of future generations.

2. Build the local infrastructure for delivery

Many places lack a coherent local strategy, reliable long-term funding and coordinated service response to the problems of housing quality. Various programmes and activities across different sectors target housing quality issues, but these often fail to add up to a clear, consistent, reliable, high-quality local offer. Many local

people often do not know who to approach for the help they need tackling problems of quality and condition (Centre for Ageing Better, 2019). This is a critical weakness in the national framework for housing improvement.

Experience points to the importance of a local hub through which a range of partner organisations and agencies, funding mechanisms, specialist schemes, and wider services can be organised. Home Improvement Agencies (HIAs) represent a sensible starting point in fulfilling this ambition, given that they are active in around 80% of local authority areas in England. HIAs are not-for-profit organisations run by local authorities, housing associations and charities to support older people to remain living independently in their own homes (Age UK, 2020). They are trusted, local organisations that focus on understanding the needs of service users. A pragmatic response would involve building upon and expanding the role of HIAs. HIAs could function as a hub or ‘one-stop-shop’, drawing together information, programmes and funding streams in one place.

This approach offers scope for provision to respond to the specifics of local needs, whilst still providing a nationally consistent framework through which tailored programmes can be delivered. It also offers the possibility of a local trusted intermediary to help households to navigate the different options for housing improvement, leveraging in different funding pots to provide a more tailored solution to their needs, and to understand the different financing mechanisms available. A number of requirements need to be met to deliver upon this potential:

- **Consistent presence across the country** – HIAs need to be present in every local authority area and given a clearly defined remit, including the provision of information and advice. This is not currently the case and will demand a reliable stream of (revenue and capital) funding.

- **Expanding the reach of HIAs** – there is an opportunity for HIAs to open up new markets that build on their areas of expertise, contributing towards keeping people living healthily at home. For example, HIAs could broaden the reach of preventative services to include the large population of households who are not eligible for grant funded assistance and who self-fund repairs, maintenance and adaptations.
- **Preventative improvements** – home quality and safety assessments offer the potential for an effective preventative mechanism by identifying home hazards and quality concerns before an adverse event, such as a fall, occurs. HIAs could play a key local role given many already run a handyman service for small home improvements, minor repairs and adaptations, and energy efficiency measures. There is potential to deliver more holistic and wider-ranging assessments in the form of a ‘home MOT’, which could encompass not only safety related to falls, but also cold, and other repairs or adaptations.
- **Innovation in financing** – expanding the provision of services further into the ‘able-to-pay’ population could be aided by the development of innovative financial products and partnerships that would help individuals to improve the quality of their home and their day-to-day living. This could include assistance for homeowners with equity but lower incomes to improve the quality of their home.

3. Developing and resourcing specific interventions to improve housing quality

Nationally funded and locally delivered interventions are required to address specific housing quality issues apparent within the English housing system. Two programme funds and three interventions are proposed:

- **Home Improvement and Renovation Fund** – individual owner/landlord support in the form of low-cost loans linked to energy efficiency improvements and means-tested housing renewal grants – both provided by national government funding.
- **Housing Quality Investment Fund** – a Whitehall-funded area-based renewal programme that might work at the scale of a street or a block of flats and where solutions might include whole home renovation, common renovation such as re-roofing or indeed potentially converting poor-quality private renting to social renting.

In making a case for repair and improvement interventions a series of arguments will need to be marshalled in order to shift public funding priorities toward housing quality. The plight of poor homeowners and the need for targeted individual support needs to be recognised, along with the wider spillovers associated with bad conditions. Intervention needs also to take account of the growth of private renting and the need to fashion incentive-compatible solutions to housing conditions in the rental market; tackling affordable warmth and contributing to carbon reductions; and convincing Whitehall about the merits of focused area-based interventions and recourse to more creative funding routes.

In response, what is proposed is a targeted and proactive programme led by individual HIAs drawing on the programme and a wider range of resources and mechanisms to achieve renovation, thermal efficiency and repair objectives. Outcomes would include improvements in the quality of homes, towards decency and affordable warmth for lower income owners, private tenants and focused block repaired properties. Preventative savings would also be forthcoming. There may also be some shift of properties from the PRS to social renting, which would further complement neighbourhood and housing condition local strategies.

Table: Financing of proposed programmes and design analysis

Dimension/ Instrument	Housing Repair Grant	Low Cost Loan	Area-based Housing Renewal
Individual (means-tested) v spatial	Individual and means-tested.	Individual.	Area-based (small scale).
Upfront v spread over time	Upfront.	Repayment loan.	Mix of upfront, repayment and possibly equity/lien arrangements.
Public finance options & implications	Controlled grant programme.	Controlled interest subsidy or backed guarantee.	Mix of arrangements, some of which may have uncertain payback periods.
What works: financing & design examples	Past UK lessons: e.g. high grant element in total costs.	Past UK lessons: e.g. Combine loans and savings products.	Past UK lessons e.g. enveloping.
Design interdependence & systems thinking	Improves quality & extends property life. May reduce demand for residential care & NHS costs.	Affordable warmth & carbon reduction. May reduce demand for residential care & NHS costs.	Inter-tenure flex & improves average quality. May reduce demand for residential care & NHS costs.
Economic analysis summary carry-over	Additional and targeted.	May be more deadweight.	Positive externalities.
Fit with government approaches to policy design & political economy	Levelling-up. Supports sustainable home ownership. Health & wellbeing. Targeted. Supports jobs.	Climate change agenda. Levelling-up. Supports sustainable home ownership. Health & wellbeing. Supports jobs.	Levelling-up. Health & wellbeing. Supports local housing system sustainability. Supports jobs.
National to local resource allocation mechanism	National budget allocated to housing conditions, IMD, demography metrics.	Budget allocated to housing conditions, IMD, fuel poverty and associated metrics.	Amalgam of individual schemes allocation mechanism.

Tackling poor-quality housing: some key considerations

A review of previous practices and past initiatives reveals a series of key considerations critical to the development and delivery of an effective response to the problem of poor housing quality.

– **Targeting and focus** – there are different ways of targeting action on housing improvement. A key distinction is between programmes focusing on individuals or households and area-based programmes targeting places in particular need of an intervention. Each have relative strengths and weaknesses in relation to practicalities of delivery, coverage, and cost. For example,

individually targeted initiatives can prove more cost-effective but the imperfect nature of targeting can mean that individuals who would benefit from assistance may be missed. Area-based programmes can provide a solution to the problems associated with the variable willingness and ability of residents to support or contribute to an intervention. A key part of targeting action on poor-quality housing lies in understanding the extent and distribution of the problem. We know that there are a range of pressing housing quality issues in England, but we lack more fine-grained understanding of the specifics of the problem in the private housing stock.

- **Financing improvements** – different funding mechanisms are required for different groups. For example, ‘pay as you save’ schemes (in which occupants pay back the cost of improvements through the savings they have generated) are more suited to ‘better-off’ homeowners, whilst poorer homeowners may need grants to be able to undertake improvements. Privately rented properties need different mechanisms due to the split incentives between landlords and tenants. Research suggests that attracting private finance to develop affordable loan products for home improvements has been difficult to achieve. Developing a range of loan products for private sector housing repair may require greater investment in ‘not-for-profit’ intermediary lending agencies in order to secure attractive interest rates. Enforcement action against owners in the private housing sector in relation to housing condition is politically complicated. There are limitations to the acceptability of compulsory action against homeowners and landlords, and persuasion is viewed as favourable. However, with lack of grants for homeowners, and no tax incentives to encourage them to invest, persuasion can prove ineffective.
- **Delivery and outcomes** – Trust in the organisations delivering programmes to improve the quality of housing is essential to engaging residents. This applies to all the interventions suggested in this report. There are particular institutions that people trust to give them impartial advice on measures, particularly third sector organisations. Local authorities have also been highlighted as not only highly knowledgeable, but also being viewed as a trusted body. HIAs and handyman services have also been viewed as safe, trusted organisations for householders to work with. They have a high degree of local knowledge and are able to connect to other organisations and services. It is hard to assess the cost effectiveness of improvement measures delivered by these and other agencies, and the quality of many prior evaluations is relatively low in relation to understanding the costs and benefits attributable to interventions. It will therefore be crucial for any new programmes to be piloted and evaluated – including for cost-effectiveness. Finally, it is important to recognise that housing quality is an ongoing challenge; homes require continual maintenance and improvement. There therefore needs to be ongoing investment. Short-lived initiatives are not going to tackle the underlying causes of under-investment – low incomes, lack of savings, lack of awareness of problems, and difficulties organising solutions.
- **Behavioural insights** – Improvements are often viewed as one-off, stand-alone decisions, when in reality they are situated within everyday domestic life. The reasons a household may or may not decide to undertake home improvements are rooted within the conditions of home life, rather than merely reflecting a rational economic choice. It is therefore important to understand the everyday practices of life in the home, norms of comfort, and associated aspirations. It is also important to situate decisions about the home within a wide series of decisions relating to quality of life for the individual, household and wider family.

Conclusion and recommendations

It is vital that everyone is able to live in a home that is safe and comfortable. Unfortunately, this is not always the case and there is an urgent need to improve the quality of housing in England for the benefit of current and future generations.

Policymakers might balk at the costs of ensuring the national policies, local infrastructure and targeted initiatives are in place to address poor-quality housing. However, cutting funding to the national framework for housing improvement is a false economy, leading to greater pressure and spending on health and social care and undermining efforts to meet carbon reduction targets and tackle the climate emergency. In summary, housing is a valuable national asset and social good that needs to be repaired and maintained.

Three key recommendations addressing critical points of weakness within the current approach to tackling poor-quality housing

Recommendation 1:

Enforce housing quality standards – ensure local authorities have the resources and capacity to fulfil their statutory duties around housing quality.

Recommendation 2:

Build the local infrastructure to deliver housing improvements – develop the local infrastructure required to deliver improvements, including a dedicated hub through which a range of partners, funding mechanisms, specialist schemes and services, can be organised.

Recommendation 3:

Develop and resource specific interventions to improve housing quality – design and resource a series of long-term, nationally funded and locally delivered interventions to improve housing quality.





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Let's make ageing better.



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