

Good homes for all

Executive summary

A proposal to fix England's
housing

September 2021



Introduction



The Good Home Inquiry was established with one very simple premise at its heart: the quality of housing stock in England is way below an acceptable standard and this is hurting us as individuals and as a nation. Poorly heated homes kill 17,000 people a year (E3G, 2018), while the cost to the NHS of low-quality housing is estimated at £1.4 billion annually (Nicol et al, 2015).

Millions of our homes are difficult to heat in winter or cool in summer; they are dangerous to live in; are poorly connected to their neighbourhoods or to the online world; are unaffordable; and are energy inefficient.

For too long, housing policy has focused on new supply, with the existing stock left largely ignored. But these homes are a critical national asset and should be treated as such. This Inquiry is concerned with addressing the problem of unsuitable and poor-quality housing in England's existing housing stock. In doing so, we do not diminish the reality of the need for an increase in new build supply and for ensuring that new supply is of the right type: accessible, adaptable and built to high standards. If new housing isn't right, we risk storing up similar problems for the future. However, there have been numerous reports already written about the need for more housing, and government policy over the last decade has overwhelmingly focused on this. More than four in five of all the residential buildings that will be in use in 2050 already exist today (Boardman et al, 2005). The emphasis on new-build homes has clearly been insufficient. Instead, improving our existing housing should be seen as a priority for government, both for its own sake and for the help it would offer to the decarbonisation agenda. The prize for improving our homes is great – we will be better off both individually and as a nation if we manage to do this.

But if the challenge of improving our homes seems daunting, it is not an insurmountable one. And today could be the best chance for generations to make real and lasting change. There are three reasons for this:

- **The immediacy of the decarbonisation agenda** – The Intergovernmental Panel on Climate Change (IPCC) has issued a code red for humanity and called for immediate action by governments. A high proportion of greenhouse gas emissions in the UK come from residential buildings. Our commitment to net zero carbon emissions by 2050 therefore represents a huge opportunity for change
- **COVID-19** – The pandemic has added a new layer of understanding to the profound effect that unsafe, low-quality or unsuitable housing can have on our physical and mental wellbeing, on our ability to live healthily, to work effectively and to look after our families

- **Our changing demographics** – By 2041, one in four people in England will be aged 65 or over, with the fastest increase in the 85 years and over age group (ONS, 2018). We know that the vast majority of us would prefer to remain living independently in our own homes and communities as we age. That means we need a transformation of our housing stock to ensure that as many homes as possible are suitable for people whose needs are likely to change as they get older

These three factors are interconnected and show both the need for a sea change in how we think about and deal with poor-quality housing and the opportunity we have to make policy decisions to radically improve the situation.



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Introduction

The Good Home Inquiry looks at all homes, while recognising that each tenure has its own unique set of challenges. Our solutions focus primarily on the owner-occupier sector as this is where the greatest number of poor-quality homes exist. But we also provide a welcome roadmap for improvements in the private rented sector (PRS) and for social housing.

The Inquiry has taken a unique approach to addressing its subject. We wanted to look at the problem and devise solutions from the bottom up. Our work centred on learning from the experience of real people dealing with real housing problems. Over the course of the Inquiry, through interviews, surveys and in-depth qualitative sessions, we engaged with over 4,000 members of the public – mostly from low-income families – living in every type of housing. We combined this approach with a comprehensive policy and evidence review. We also worked with other stakeholders, including local authorities, to determine how our solutions and recommendations could remain action-oriented.

We believe our recommendations have the potential to drive real and lasting change. But we also recognise that this Inquiry is far from the final word on the subject and that dealing with poor-quality housing is an ongoing process – a process that will require both national leadership and local delivery.



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Recommendations



From a wide range of policy options, the Inquiry has developed a series of recommendations. These have been developed in collaboration with cross-industry and cross-sector stakeholders, and tested with people living in homes which require significant improvements.

Recommendation 1

To make the changes we need to see we are calling on national government to show leadership by:

- developing a new cross departmental national strategy to improve England's existing housing stock led by a ministerial Good Home Champion, recognising our housing stock as a critical national asset and part of our essential infrastructure
- replacing the current Decent Homes Standard with an enhanced Good Home Standard that is applicable and enforceable across all housing tenures and for the government to direct Homes England to make improving the quality of existing homes a strategic objective
- placing a duty on local authorities to ensure every authority has a local 'Good Home Agency', a public-facing hub providing access to information and advice, finance schemes, and a range of home improvement services including maintenance and repair, accessibility adaptations and energy retrofit
- leading the development - alongside local government and industry - of a national model for a home improvement check or 'Home MOT' that provides an assessment of the condition of a home and where action is needed. Home MOTs should be available to everyone, regardless of housing tenure
- investing in the improvement of our homes, in a way that directs subsidy towards those most in need and unable to pay themselves, tackles inequalities and improves conditions for those living in the poorest quality homes, including:
 - providing long-term and flexible funding for home improvement services, enforcement of standards and mapping of local housing conditions
 - supporting the development of public private investment partnerships to target areas where widescale improvement is needed and to include decarbonisation
 - providing public subsidy or guarantees for low interest loans for homeowners along the lines of the German KfW/BeG model and funding grants for those unable to pay for retrofit and home renovations
- making the public aware of the benefits of improving their homes and how to access quality information and services to make changes to their homes
- bringing forward stronger regulation of the private rented sector with appropriately resourced enforcement to ensure landlords meet and maintain minimum standards of decency, or a 'good home'

Recommendation 2

To deliver the changes we need to see, we call on local government to ensure the local provision of a Good Home Agency:

Building on existing structures these need to be properly funded and marketed to provide some or all of the following, both onsite and online:

- information and advice on a full range of home improvement services from repairs, adaptations, digital connectivity and energy retrofit to the various financial incentives and products available
- access to home improvement audits or ‘Home MOTs’ to support people in identifying what could be improved in their homes
- information and advice on alternative housing options
- schemes and support to target those most at risk from poor housing, including vulnerable and low-income individuals
- information about trusted providers including handyperson services
- a means to facilitate low-cost finance for homeowners and landlords
- grants for homeowners unable to meet the cost of home improvement
- administration of Disabled Facilities Grants (DFGs)
- information about innovative products and smart home solutions to support wellbeing and social connections

Local leadership also needs to prioritise:

- enforcement of standards, including developing local landlord registers
- carrying out detailed mapping of the condition of housing stock in each local / regional authority to target improvement measures and investment

Recommendation 3

To reap the benefits of net zero now and in the future, we need:

- continued investment in the Social Decarbonisation Fund and for applicants to show a holistic approach to improving homes that goes beyond energy efficiency measures to improve the condition of homes and makes them fit for an ageing population
- new public-private finance mechanisms developed to deliver on net zero also required to improve the condition of homes and make them accessible and adaptable for future needs

Recommendation 4

To address the health inequalities writ large by COVID-19, we need:

- housing to be a clear focus of local and regional health strategies, with integrated care systems having a lead on housing to identify the local drivers of health inequalities due to poor housing and allocate funding to address these
- national strategies and funds for increased regional investment and building back better after COVID-19, such as the UK Shared Prosperity Fund, to address the role of poor-quality housing on local and regional health inequalities

Recommendation 5

To be connected to services and our communities, we need:

- broadband connection to be included in revised an enhanced Good Home Standard and applied to all tenures
- reliable broadband made affordable for all. Government should work with providers holding them to account to provide and promote affordable tariffs and agree a more generous Universal Service Obligation to support people to get connected

Recommendation 6

To enable homeowners and landlords to take action to improve their properties and contribute to achieving net zero, we need:

- A range of innovative financial products and fiscal incentives to support consumers with the means to pay to make improvements to their homes. While there are examples of innovative products and models, some of which are featured in this report, more needs to be done to scale these up. We must also overcome consumer resistance to borrowing for this purpose, provide confidence that investment in their homes will create long-term benefits for health and wellbeing, and tackle fears that loans will affect their financial security.
- Government, the financial services sector and others with an interest in solving this problem should come together to help make this happen by developing scalable, consumer-facing products which encourage and incentivise homeowners and landlords to improve their homes.

The state of our housing



We already know that England's homes are in a bad state. But how bad are they and what are the consequences for those who live in them?

Around 17% (4.1 million) of all homes in England are deemed to fall below the Decent Homes Standard – the yardstick by which homes have been measured for more than two decades (MHCLG, 2020). Of those, just under 500,000 are in the social housing sector, 1.1 million are in the private rented sector (PRS), and 2.6 million are among the 15 million owner-occupied homes in the country (MHCLG, 2020).

These figures are bad enough at face value. However, given that the Decent Homes Standard is due for a review and does not factor in elements such as digital connectivity, there is every chance that even more people live in homes that fail to meet their needs. Furthermore, almost half of all homes graded as 'non-decent' are occupied by at least one person over the age of 55 (MHCLG, 2019). With an ageing population, this means that more and more older people in the future are likely to find themselves living in homes that could present a health and safety threat to them.

Much of the problem with England's housing can be put down to the age of our homes. More than a third of all houses in England were built before the end of the second world war, while one in five is more than a century old.

The effect of living in old and unsuitable housing can be severe. At the most extreme, our homes are killing some of the most vulnerable people in society. Falls and trips in the home, excessive cold, overheating, and respiratory diseases are all consequences of poor-quality housing. In 2018, homes that were either too cold or too hot killed 17,000 people across the UK, with many more suffering because they cannot afford to heat poorly insulated homes (E3G, 2018). In England in 2020, around 2.4 million households were estimated to be living in fuel poverty (BEIS, 2020).

Inappropriate or substandard housing does not have an impact on everyone equally. Those less able to afford the cost of poor housing are those most likely to suffer the consequences. Older people, vulnerable people and people from non-White backgrounds are more likely to live in housing that is not suitable for them, and are more likely to suffer from the effects of bad housing, most notably poor health (Ageing Better, 2020). People living in poverty are also likely to experience worse housing conditions than their better-off peers.



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The state of our housing

There are also huge regional variations when it comes to both the quality of homes and the ability of homeowners to make changes to improve them. This is particularly true when considering the different levels of equity homeowners have in their homes in different parts of the country, with those in high house price areas much better placed to deal with the problems that come with poor-quality housing.

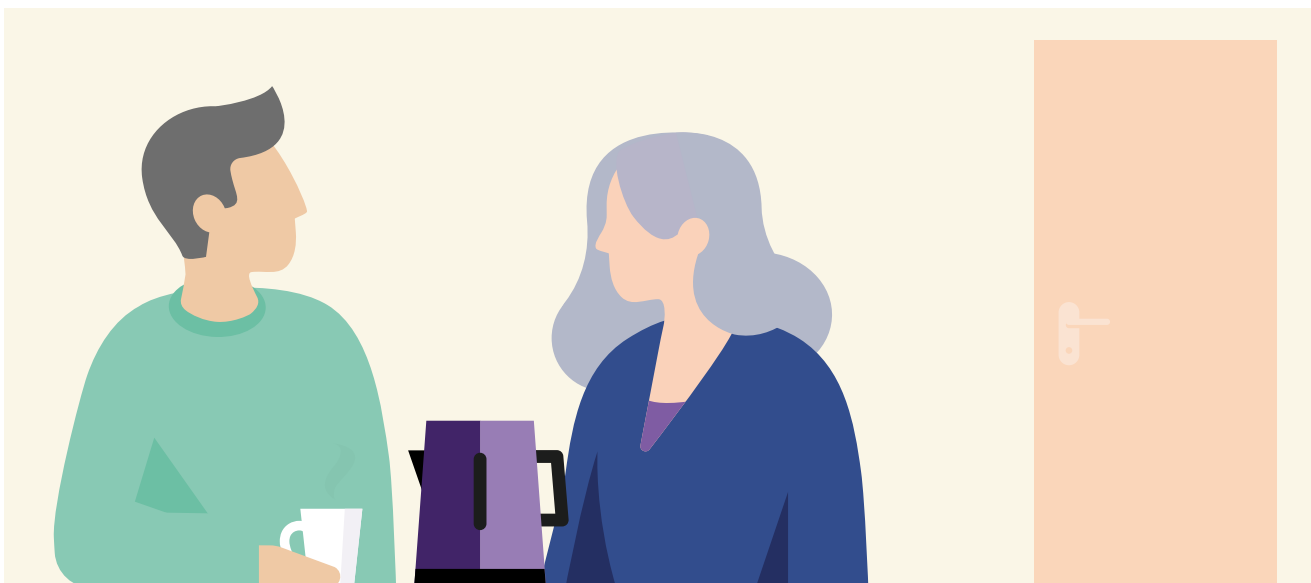
The COVID-19 pandemic has served only to emphasise and exacerbate some of these housing inequalities. As many people spent more time at home, those living in unsafe or overcrowded conditions were more exposed to pre-existing problems than they had been before. Our research found that 70% of adults were more aware of problems in their homes and of the improvements that needed to be

made than they were pre-pandemic (Ageing Better, 2020).

However, despite the evidence that vast swathes of England's housing stock are not fit for purpose, we also found that most people liked their current homes and wanted to stay in them. This highlights the urgency to act to make sure that these homes people love are safe for them to continue to live in.



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Challenges, barriers and opportunities

Climate crisis/net zero

The UK government's longstanding commitment to achieve net zero carbon emissions by 2050 represents an enormous opportunity to upgrade our housing stock. If the target is to be met, 26 million homes across the UK will have to be retrofitted – that equates to 1.6 homes every minute between now and 2050.

With 42% of the UK's projected residential carbon footprint in 2030 due to heating, one of the clear priorities must be to create better insulated homes and to reduce the use of carbon-intensive technologies (CCC, 2020). The challenge is to incentivise homeowners to engage with this agenda, especially as the majority of homes that require retrofitting are in the owner-occupied sector.

But again, this challenge represents an opportunity to engage with homeowners on a local level to help them to think about improving the overall quality of their homes. The fact that more than 250 English councils have declared a climate emergency is a big step in the right direction. That's why any overarching retrofit programme must include both a national strategy and a local delivery mechanism, supported by local authorities, to ensure that we get the maximum benefit from what would be a transformational agenda.



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Adaptations and accessibility

England's housing stock is the oldest in Western Europe, and so millions of our homes are in desperate need of modification to make them safe and navigable, especially given our ageing population.

Trips and falls in the home are one of the most common causes of death and serious injury, with many of these caused or exacerbated by poorly adapted housing. But research has highlighted the hugely positive impact that just minor adaptations can have on quality of life and on supporting people to live independently for longer. Another positive consequence of this is that it can take the pressure off our health and social care systems.

The fact that many of our most unsuitable and poorly adapted homes are in the owner-occupied sector is a significant challenge, as it will fall on homeowners to make the necessary changes themselves. However, policy can be developed to encourage, educate and incentivise homeowners as much as possible. Potential interventions must include digital self-assessment tools for homes, or Home MOT services. These could be delivered through a network of local Good Home Agencies, which provide advice, information and even financing options.

Financing and economic value

Just to bring every home in England up to the current Decent Home Standard would require an investment of £32 billion (MHCLG, 2019). An even greater investment is likely to be required to do everything necessary to create the homes that meet net zero emissions targets.

But this isn't just about cost, there are also significant benefits if money is spent wisely. An estimated investment of £85.2 billion to reduce household energy consumption by a

quarter would yield economic benefits of £92.7 billion, according to a 2018 report (CIED, 2018). That gives a net present value of £7.5 billion, while sustaining an estimated 86,000 new jobs.

The scale of investment required to transform England's homes will need both public and private finance to work together. Given that more than half of the £32 billion to improve non-decent homes will be required in the owner-occupied sector, it is likely that government-backed loans from private lenders would be the most suitable solution.

We could also look to abroad to find models where the public and private sectors work together to fund large-scale home improvement and retrofit programmes. In Germany, BeG (formerly KfW) is a national programme that provides loans for energy efficiency work to individual homeowners of up to €120,000. These loans are linked to the home's energy performance, so the better performing interventions can access more subsidy. In 2019, loans totaling €43 billion funded improvements in 370,000 homes.

Responsibility and enforcement

Understanding who is responsible for improving and maintaining our homes to a good standard is a significant barrier to creating the changes necessary to improve our housing stock. There is no cohesive national framework for what could broadly be described as 'housing improvement work'. Similarly, enforcement of legally defined housing standards is a challenge, particularly in the rental sectors.

Our research found that homeowners and renters felt that responsibility for improving homes ultimately lay with government, whether that be at a local or national level. There was also strong support for better regulation and enforcement of standards by local authorities.

Challenges, barriers and opportunities

What is needed is both reliable, long-term funding for enforcement measures and leadership from central government so that local authorities operate on a level playing field in ensuring homes are of a good standard.

These two issues are intertwined and could be aided by the creation of a network of locally focused agencies guided by national policy. A network of 'Good Home Agencies' would be responsible for providing information, resources and access to funds for homeowners faced with the prospect of expensive improvement work to bring their homes up to an acceptable standard.



What needs to happen now

Our approach has produced a report that looks at the problem from the bottom up. It takes the real experience of people on low incomes living in unsuitable housing to create actionable, practical recommendations that have the power to bring about real and lasting change. But we also recognise that the Good Home Inquiry is far from the final word on the subject and that dealing with poor-quality housing is an ongoing process.

The solutions to the problems highlighted by the Inquiry must be driven by a partnership between the public and private sectors, but they must also be a synthesis of national and local government. National policy direction needs to be delivered by informed local agencies for that policy to be effective.

The Inquiry is very grateful to the Centre for Ageing Better for its vision and leadership in setting up the Inquiry. We call on Ageing Better to continue to carry out research, engagement and influencing activity to realise the Good Home Inquiry's recommendations, specifically to establish a Finance Working Group and to continue to support Lincolnshire County Council and other localities and regions as test beds for the development of local Good Home Agencies.

Doing nothing is no longer an option. We hope this report is the starting gun for lasting change.

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Let's make ageing better.



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