

Lost opportunities

A decade of declining
national investment in
repairing our homes

October 2023



HEALTHIER
HOUSING
PARTNERSHIP



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Summary



Governments have been providing support to help to maintain people's homes since the 1860s, recognising the challenges many, particularly people on low incomes, face in keeping their homes safe and warm.

Such action also acknowledges the benefits of good quality homes to wider society – both as a public health issue and in terms of cost savings elsewhere in the system. This made a significant difference to people's lives and helped to ensure the upkeep of our housing stock – among the oldest and poorest quality in Europe.

In 2010 such funding was largely stopped, fuelling a hidden housing crisis in this country, where nearly 10 million people live in a home that is unsafe, cold or damp with huge implications for their health and wellbeing.

£2.3 billion withdrawn

in grants support over the last decade, preventing the repair of 600,000 homes and unnecessarily endangering the lives of over a million people.

There are nearly one million households headed by someone aged 65 and over living in non-decent homes, people who are among the most impacted by factors such as damp and mould, cold and draughty homes that cannot be heated, and disrepair that leads to accidents such as trips and falls.

While the amount of government support offered in the 2000s was insufficient to eradicate poor quality homes, it made a significant difference. The gap between then and now is vast and we are accumulating problems that will need to be tackled in the future.



Fixing unsafe homes brings benefits to the whole of society – healthier and longer lives, reduced burden on health and social care and more jobs and skills in local economies. We need a national strategy, with financial backing, to improve homes to make this a reality.

Locally, we need coordinated, one-stop shops to support people to maintain their homes, including those who are able to pay themselves but face other barriers such as finding trusted tradespeople. National and local governments have an important role in facilitating these changes. See our [Good Home Hub model](#) for more information.

Introduction



Millions of people are living in homes that are cold, damp and in need of repair. Homes that cause physical and mental health problems, financial insecurity and isolation.

But the current situation is not inevitable and neither is it unsolvable. It requires national prioritisation and investment that in turn, enables a local-level response for those in need.

A significant number of those at risk are older people living on fixed incomes and more likely to have health conditions caused or exacerbated by poor quality homes.



3.5 million homes

fail to meet the government's Decent Homes Standard.

This means that they pose a risk to people's health or life, are in need of significant repair, are cold or need modernisation (English Housing Survey, 2023).

There is a long history of nationally funded housing renewal programmes in the UK, stretching back to the 1860s when local authorities were empowered to close, demolish or require owners to improve insanitary housing (The Artisans and Labourers Dwellings Act 1868, see Box 1 for a definition of housing renewal). Subsequent decades focused on slum clearance and area-based schemes until the Housing Act of 1949 first enabled local authorities to provide grants to homeowners and landlords to improve their individual properties. Such grants are an important complement to area-based schemes because they are much faster to administer and target specific homes, rather than relying on a whole neighbourhood needing refurbishment. From 1949 until 2010, there have been different versions of this two-pronged approach to housing renewal: 1. area-based demolition, rebuild or repair and 2. small-scale grants or loans to encourage individuals to maintain their homes.

The Conservative-Liberal Democrat coalition government elected in 2010 ended all nationally-funded housing renewal funding for homeowners and landlords with effect from March 2011 as part of reductions to public spending.

The only exceptions to this have been continued funding of individual Disabled Facilities Grants, the short-lived area-based Estate Regeneration National Strategy introduced in 2016 (for which documentation on its implementation and impact could not be found) and limited continued funding of the New Deal for Communities programme. This report outlines the scale and impact of these losses.

Box 1: Definitions

Housing renewal

There is no formal or official definition of housing renewal but here we use:

- **Modernisation**, for example, new kitchens & bathrooms;
- **Refurbishment** to a fixed standard, for example, achieving ‘Decent Homes’ standard;
- **Technical improvement**; and
- **Selective but not comprehensive demolition**.

We also use the phrase ‘home improvements’ to describe these actions.

Grants

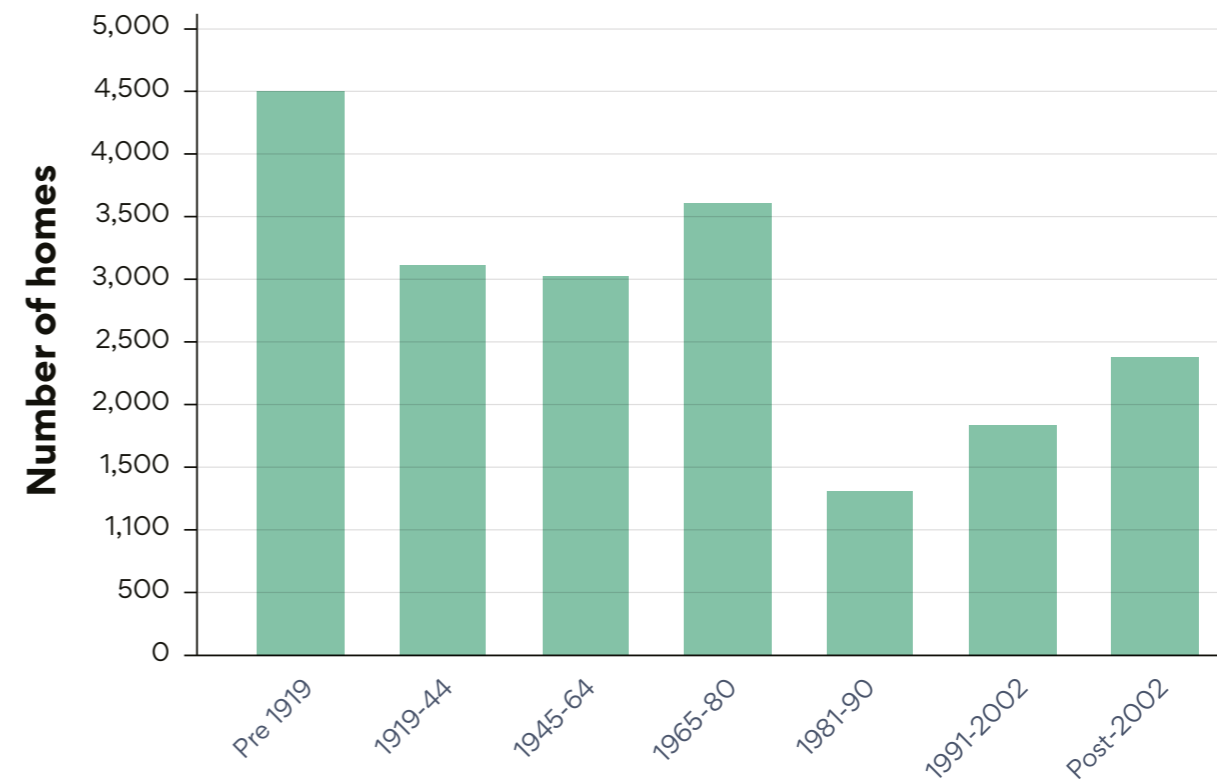
Grants are non-repayable amounts of money that people receive in the form of a service or product from their local authority. For example, a person with dangerous levels of mould in their bathroom might receive a home improvement grant for a damp specialist to make repairs. The local authority would organise the works or commission this out to a third party, rather than the individual receiving the money directly.

The UK has the oldest and some of the poorest quality housing stock in Europe (BRE, 2016). This is important to note because the age of a property is associated with its condition.

As demonstrated in Figure 1, almost a quarter of owner-occupied and privately rented housing was constructed before 1919, typically consisting of terraced housing which is now over 100 years old. At that point in 1919, average UK life expectancy was just 57 years,

compared to 81 years today. Without investment in maintaining these houses and updating them to reflect technological advances in building materials, the changing needs of our ageing population, the different ways in which we use our homes compared to the 1800s and changes to our climate, there will be further consequences for people’s health, living standards and financial security. To give an example, we already have higher numbers of people dying due to the cold than countries with far lower average temperatures than us but who invest in insulating their properties (Masselot et al, 2023).

Figure 1: Number of owner-occupied and privately rented homes by year of construction, England



(Source: English Housing Survey, 2021-21, Headline Report)

National government has a significant role to play in breaking down the barriers people face in maintaining their homes. From directly paying for repairs in low-income households to enabling local governments to rebuild whole neighbourhoods in disrepair.

National programmes also have knock-on effects by stimulating the trade workforce, reducing carbon emissions, and raising awareness of the links between people’s homes and health which in turn encourages people to pay for works themselves if they can afford to. It is estimated that a spend of £9 billion to improve 2.4 million homes in England would pay for itself within nine years based on NHS savings alone and provide £135.5 billion in societal benefits over the next 30 years (BRE, 2023).

About this report

This report outlines how much has been spent by national governments on grants to improve owner occupied and privately rented homes in England since 2000 (including Disabled Facilities Grants).

It also includes figures for the number of homes supported and identifies the opportunity gap created by the withdrawal of funding since 2010. It has not been possible to derive suitable data on the few area-based programmes that continued between 2000 and 2010, New Deal for Communities and especially Housing Market Renewal Pathfinders (where it was not possible to disaggregate expenditure focused specifically on housing renewal compared with acquisitions, land assembly, new housing or demolition programmes). We know however, that the scope was

minimal, with only 108,000 homes refurbished in the 10 years between 2002-2011 as part of the Pathfinder programme.

Healthier Housing Partnership

The analysis was conducted by Dr Richard Turkington from The Healthier Housing Partnership.

Centre for Ageing Better

It was written in partnership with and supported by the Centre for Ageing Better. For a full list of the source documentation, accompanying tables and further materials, please see The Healthier Housing Partnership website - www.healthierhousing.co.uk*

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How much has been spent on housing renewal grants since 2001?



In this section, we outline how much was spent by national and local governments between 2001/02 – 2020/21 on housing renewal grants.

These non-repayable budgets form the backbone of support for people who are unable to pay for home repairs or maintenance themselves. This is critical given that two-thirds of poor-quality homes are lived in by people with low incomes (2.8 million homes have incomes of less than £25,660 after housing costs, Centre for Ageing Better, 2020) and more than one in six older households have no savings (English Housing Survey, 2023).

At the same time, over 40% of the 3.7 million homes with an energy rating of E or below are also headed in by someone aged 60 and over, risking their health and wellbeing (E3G, 2022).

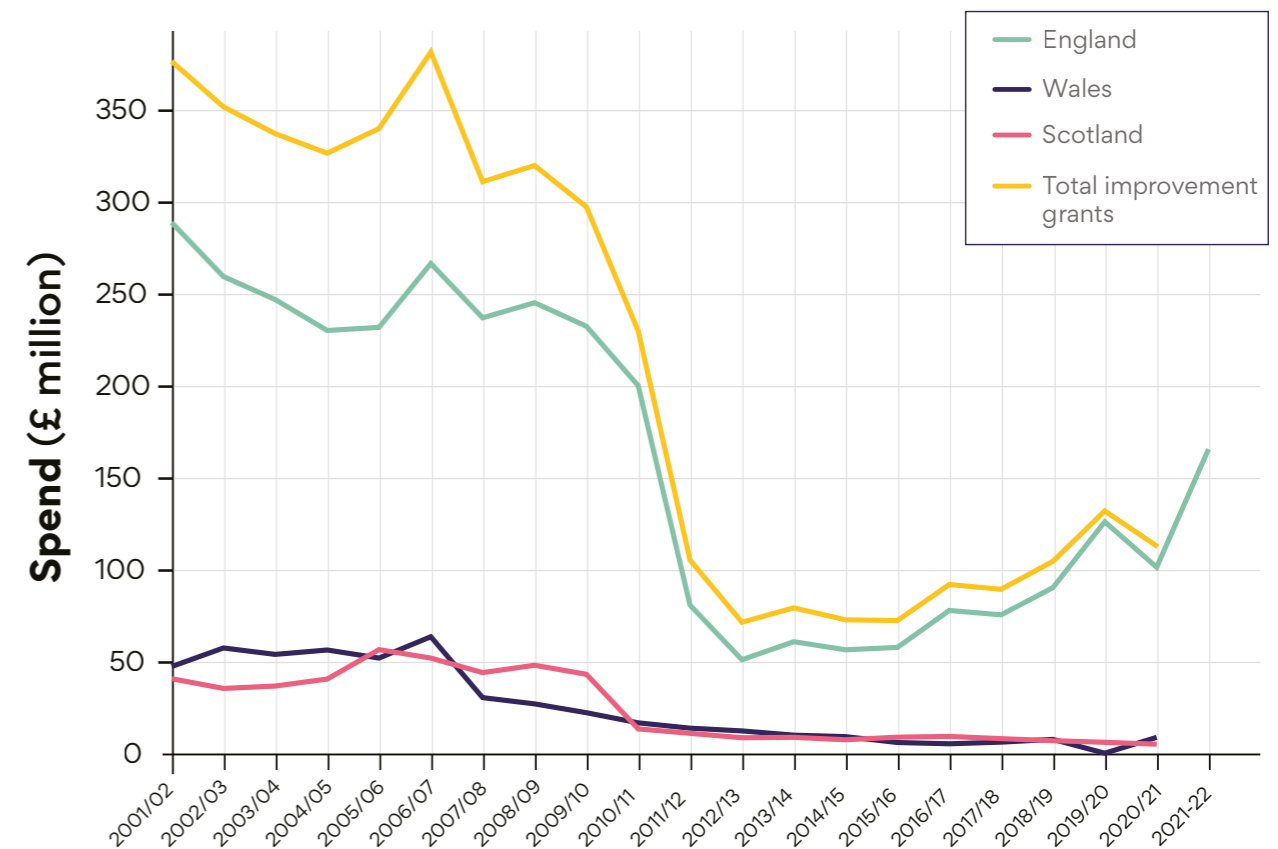
2/3
of poor quality homes are lived in by people with low incomes

Figure 2 outlines how much money national government gave to local authorities to spend on home improvement grants between 2001/02 and 2020/21. It also includes any money local authorities invested themselves from other budgets. It demonstrates that there was fairly consistent spending from 2001/02 to 2010/11, averaging at £327 million per year. The level of expenditure then fell markedly until 2016/17 when there was a slight increase. Despite this, the

average spend across the last decade was £93 million per year, a decline of almost 72% compared to the previous decade.

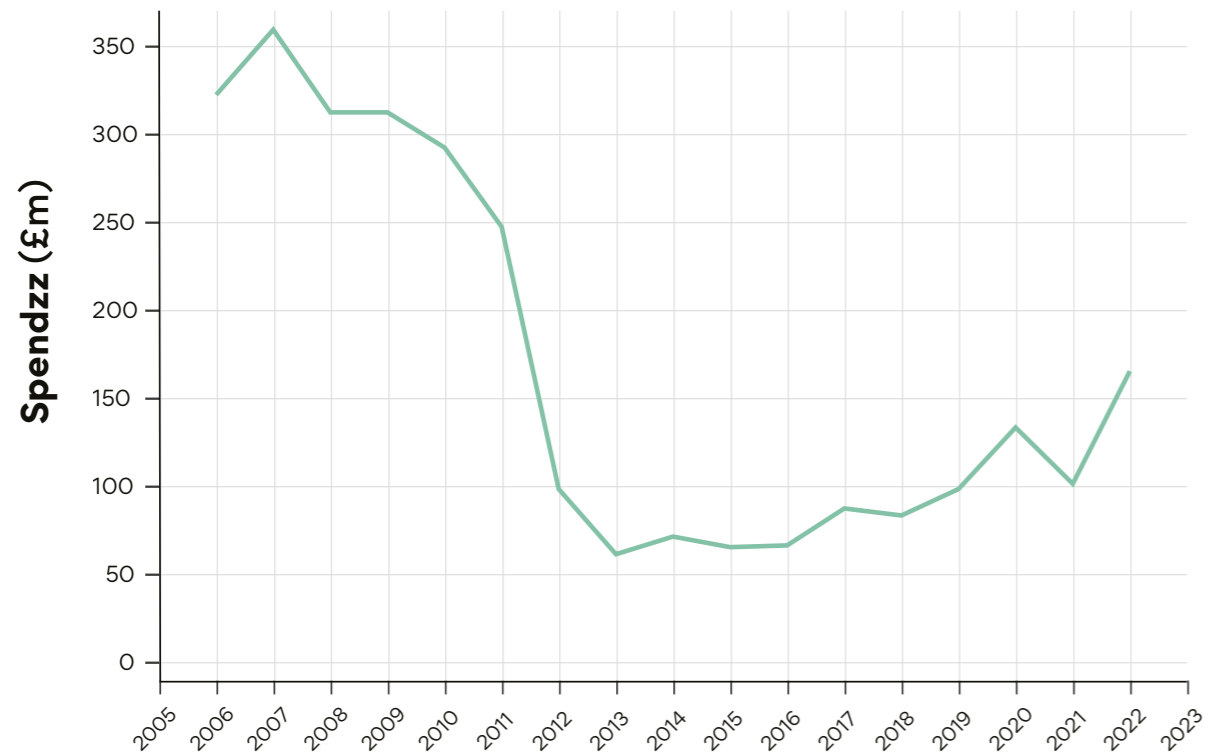
Another way of exploring this spend is to review average annual expenditure in real terms, taking account of inflation and related issues over this time. Here, spend was maintained at a fairly constant rate of £307 million from 2005/06 until 2020/21 when there was a 60% fall, marking the start of a decade of reduced spend (see Figure 3).

Figure 2: National and local investment in improvement grants, 2001/02 - 2020/21



(Source: DLUHC Local Authority Housing Statistics open dataset from 2011/12 to 2020/21, DCLG Live Tables 313 and 314 and Housing and Construction Statistics, Welsh Housing Statistics, and Scottish Government Housing Statistics Bulletins. UK Housing Review, 2022-23, Table 28)

Figure 3: Private sector renewal grant expenditure in England, 2005/06 - 2021/22, £ million (adjusted to real terms 2021/22 prices)



(Sources: DLUHC Local Authority Capital Expenditure and Receipts, Homes England Annual Report, Compendium Tables 28, 29, 66 and 71, UK Housing Review, 2022-23, Table 64b)

This analysis shows that the reduction in spend on home improvement grants is significant and, as will be explored in subsequent sections, has meant fewer people supported to live in safe and warm homes. Overall, the following amounts have been cut from housing renewal budgets:

Home improvement grants

- » 2001/02-2010/11 - £3.3 billion spent
- » 2011/12 - 2020/21 - £931 million spent
- » **The last decade saw a withdrawal of £2.3 billion of public expenditure.**

Housing capital investment

- » 2005/06-2010/11 - £1.8 billion spent
- » 2011/12 - 2015/16 - £448 million spent
- » 2016/17 - 2021/22 - £580 million spent
- » **More was spent in the six years from 2005/06 - 2010/11 than has been spent in the last eleven years (2016/17-2021/22).**



How many homes were supported?



In addition to reviewing the amount of public money invested in housing renewal grants, it is possible to track the number of homes that have been refurbished.

This section presents several different ways of achieving this: the number of grants issued, the removal of the most serious hazards as a direct result of local authority action and the number and value of Disabled Facilities Grants provided. We also include data on the

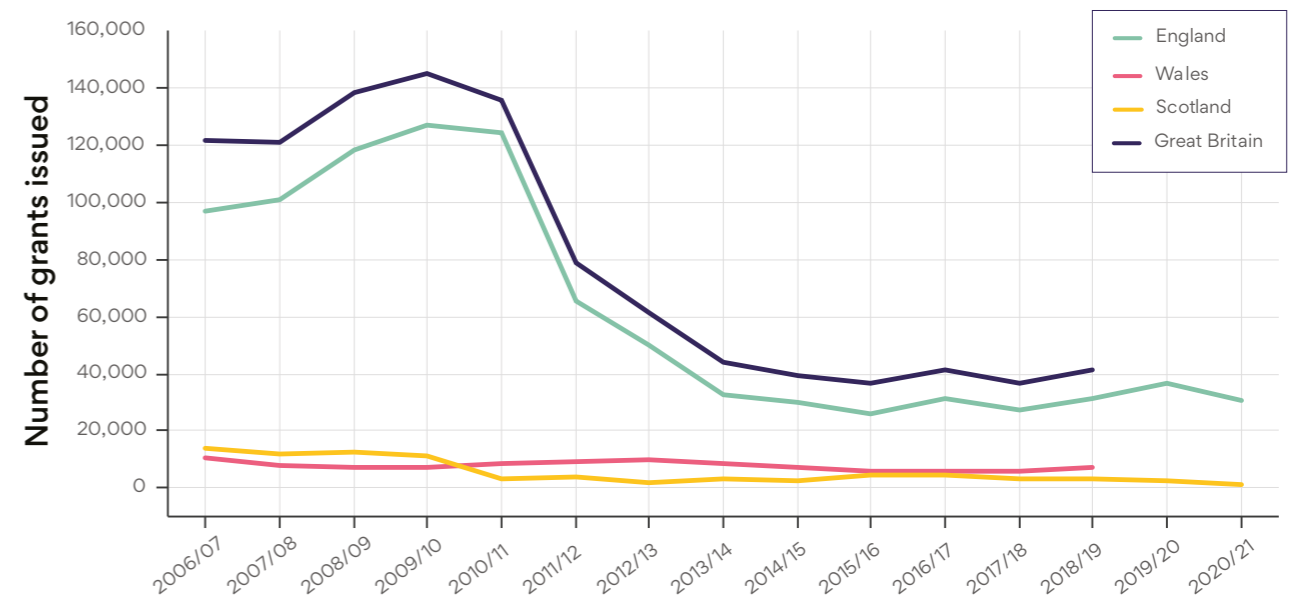
number of demolitions over the past two decades as an indication of pressures local government have faced in investing in regeneration schemes. Throughout, we present the opportunity cost of inaction.

Housing renewal grants

The provision of housing renewal grants peaked in 2009/10 with 127,080 grants issued in England in one year alone (see Figure 4). From that year onwards, the number of homes supported

significantly declined and has remained at around 30,000 for the past few years. Comparing the average yearly number of grants issued in England in 2001/02 – 2010/11 to 2011/12 – 2021/22, there has been a reduction of 64%.

Figure 4: Number of renewal grants paid to private owners under a range of Housing Acts in Great Britain, 2006/07-2020/21



(Sources: DLUHC (and predecessors) Local Authority Housing Statistics Open Dataset, Live table 314 and Housing and Construction Statistics, Welsh Government Stat Wales and Scottish Government Housing Statistical Bulletin tables. UK Housing Review, 2022-23, Table 29a)

Based on this analysis, it is possible to calculate that **had the average annual level of homes supported between 2001/02 and 2010/11 been maintained from 2011/12 to 2021/22, a further 586,500 properties would have been renovated in England.** This is similar to the entire number of non-decent¹ owner occupied and privately rented homes in the north east and north west.

The reduction of support to individuals is particularly stark when broken down by region (see Table 1). In 2020/21, the North West had 356,000 non-decent owner-occupied homes and 125,000 non-decent privately rented homes, and yet only issued 3,550 grants (compared to 36,840 in 2008/09). Similarly, the number of non-decent privately rented homes in the North East has increased over the past decade – from 120,000 in 2010 to 180,000 in 2020 – while the number of homes issued grants fell to 1,260.

¹ Non-decent' here refers to the government's definition of a home that poses a risk to residents' health or life, is in a bad state of repair, is cold or needs modernisation.

Table 1: Renewal grants paid to private owners, England, 2009/10-2020/21

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
North East	12,290	7,540	800	1,680	1,650	1,010	1,060	1,460	1,740	1,320	1,260	1,260
Yorkshire & Humberside	33,370	25,040	19,910	13,340	9,740	11,710	10,900	16,100	12,090	14,340	12,900	12,290
North West	13,770	33,410	13,810	14,330	6,970	3,600	1,660	2,460	3,350	4,450	4,310	3,550
East Midlands	7,700	5,250	2,070	1,460	830	610	650	1,090	1,460	1,270	1,690	1,290
West Midlands	17,610	15,830	4,450	4,390	4,410	4,590	3,200	3,580	1,260	2,280	4,730	2,490
East	5,470	7,000	3,530	1,490	1,640	1,400	1,360	1,560	1,670	1,680	3,010	2,600
London	9,330	7,920	7,550	3,380	2,870	3,430	4,440	2,350	3,270	2,760	3,250	1,260
South East	11,630	9,370	4,260	4,160	2,080	2,010	1,860	1,570	1,590	1,750	3,220	3,570
South West	15,910	13,140	9,230	5,510	2,490	1,590	1,000	1,100	1,090	1,290	2,420	2,170
England	127,080	124,500	65,610	49,740	32,680	29,950	26,130	31,270	27,520	31,140	36,790	30,480

(Sources: DLUHC (and predecessors) Local Authority Housing Statistics Open Dataset, Live table 314 and Housing and Construction Statistics, Welsh Government Stat Wales and Scottish Government Housing Statistical Bulletin tables. UK Housing Review, 2022-23, Table 29a)

Removal of hazards

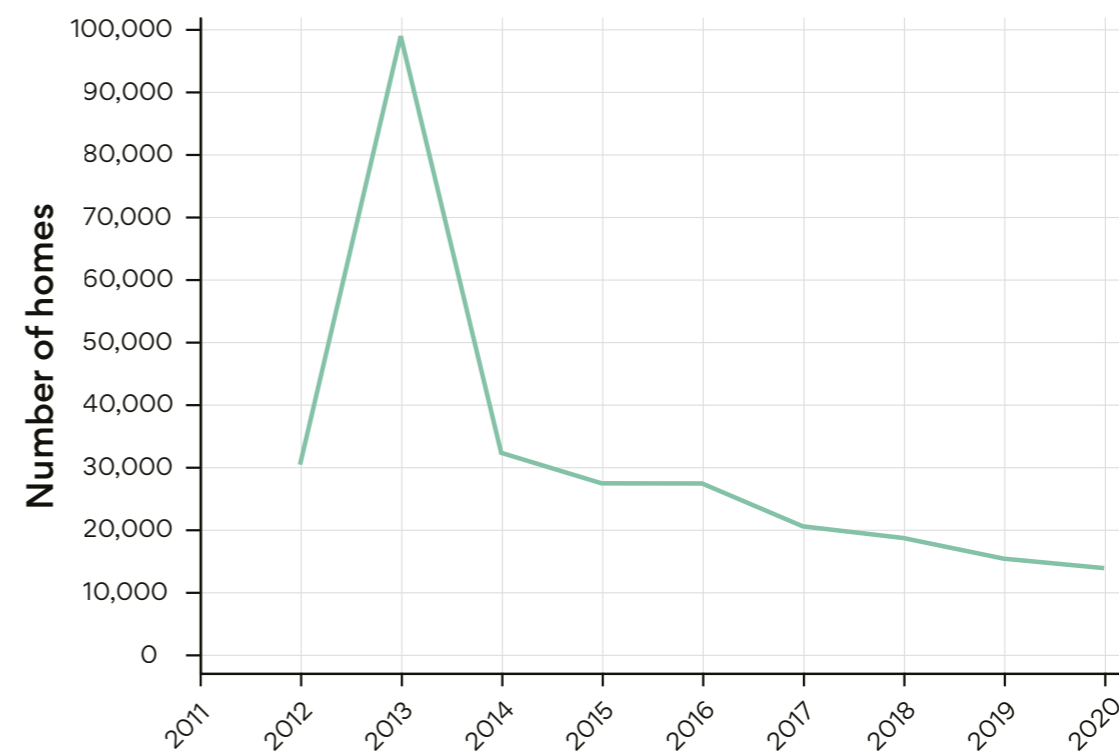
Local authorities also report on the number of homes they have directly supported to remove a Category 1 Hazard – this is the most severe type of hazard as measured by the Housing Health and Safety Rating System. It includes homes that cannot be heated to a comfortable temperature, with significant damp and mould issues, falls risks and fire safety issues. These are significant risks to a person’s health and life.

As demonstrated in Figure 5, the number of homes where these risks to life have been removed by direct action

of a local authority have been in steady decline since 2011/12. By 2019/20, the number of homes supported had halved (from 30,307 to 13,766). This does not reflect a reduction in need (as there will always be a steady state of homes that acquire hazards as a result of their age) but rather a reduction in local authorities’ capacity to tackle them.

Based on this analysis, it is possible to calculate that had the level of homes supported in 2011/22 continued until 2019/20, a further 60,000 properties with Category 1 Hazards would have been renovated in England.

Figure 5: Number of owner-occupied and privately rented homes with HHSRS Category 1 hazards which were made free from those hazards as a direct result of local authority action, England, 2011/12 – 2019/20



(Sources: Housing Strategy Statistical Appendix (HHSa) until 2014-15 then Local Authority Housing Statistics (LAHS))

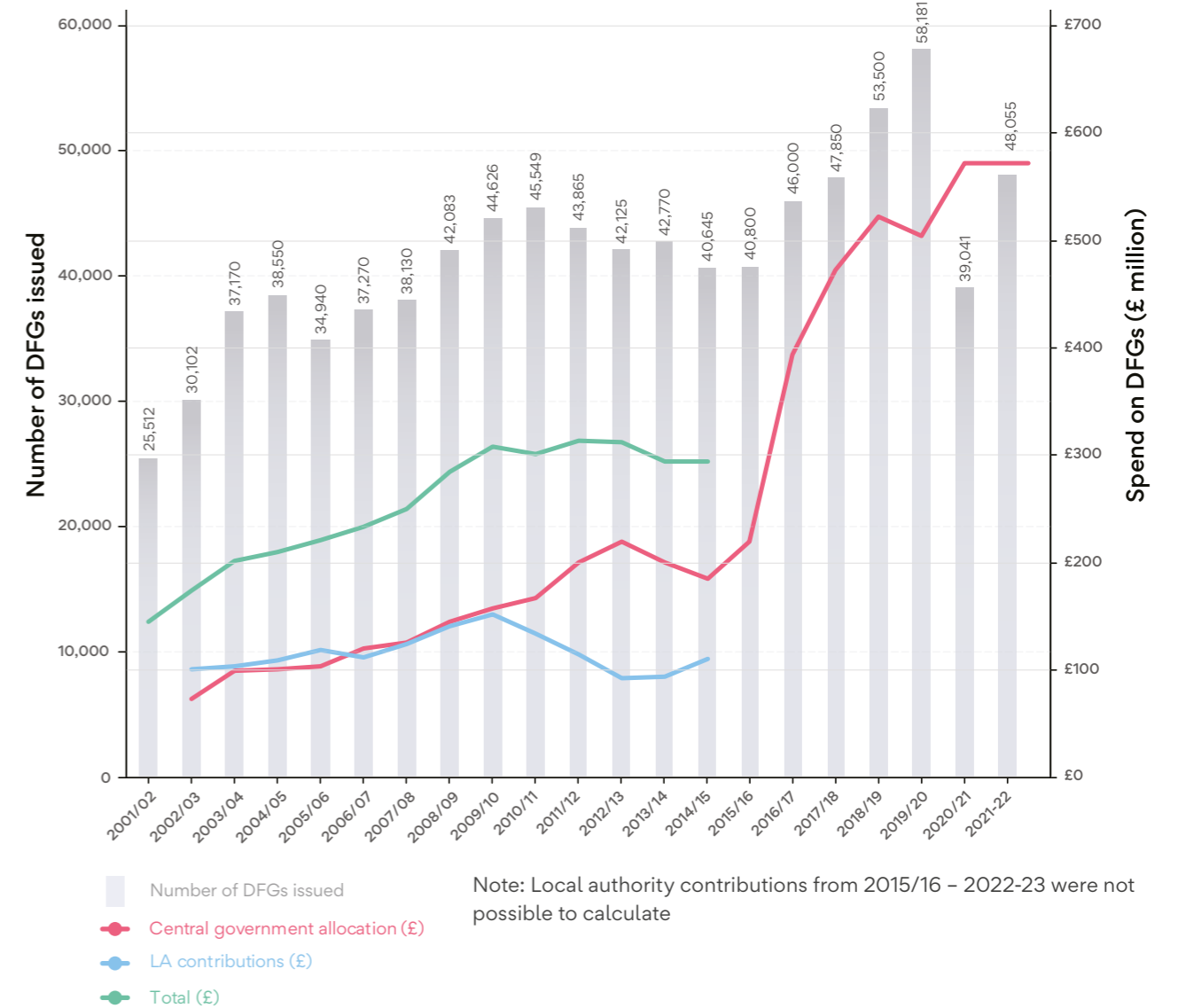
Disabled Facilities Grants

Disabled Facilities Grants (DFGs) provide home adaptations to support older and disabled people on low incomes to live independently and safely in their homes. When they were introduced in 1989, they were ‘a small part of a raft of grants designed to improve the poorest housing stock’ (Mackintosh et al, 2018). Now, they are the only grants remaining that local authorities are statutorily obliged to provide and come with fairly stringent eligibility criteria. They are also means-

tested with an upper limit on the help available of £30,000.

There has been a steady growth in the number of DFGs awarded, reaching over 58,000 in 2019/20 (the bars in Figure 6). However, the significant reduction in the number of grants issued in 2020/21 and 2021/2, despite increased funding (the lines in Figure 6), is likely to be the result of falls in local authority contributions and because the value of individual grants given to people have increased. This suggests a growing unmet need.

Figure 6: Disabled Facilities Grant central government expenditure in England, £ million, and number of Disabled Facilities Grants issued, 2001/02-2021/22



(Sources for expenditure data: ‘Foundations’ records of grant determinations; 2001/02-2010/11: DLUHC Local Authority Housing Statistics’ open dataset from 2011/12 to 2020/21, DCLG Live Tables 313 and 314 and Housing and Construction Statistics, Welsh Housing Statistics, and Scottish Government Housing Statistics Bulletins. UK Housing Review, 2022-23, Table 28. Sources for number of DFGs issued: ‘Foundations’ data records; DLUHC Local Authority Capital Expenditure and Receipts, Homes England Annual Report, Compendium Tables 28, 29, 66 and 71, UK Housing Review, 2022-23, Table 29b)



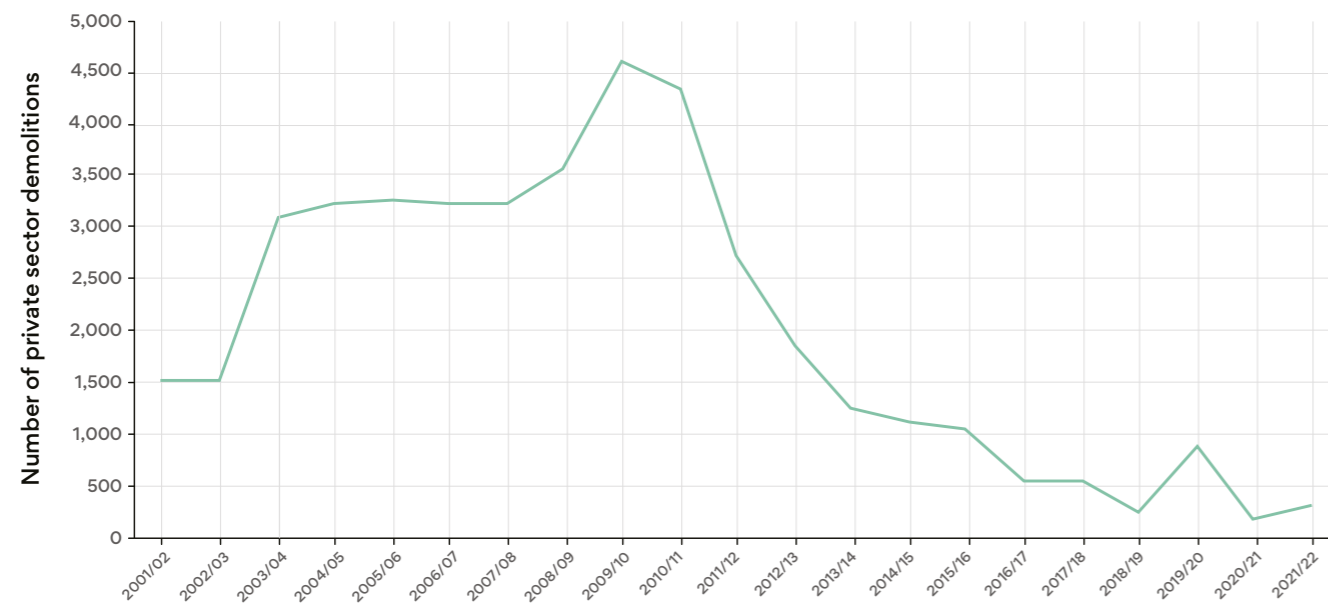
Demolitions

Demolitions are a controversial issue particularly in discussions about the carbon cost of demolition/rebuild versus retrofit, and in regeneration programmes where housing – often council housing – is replaced, sometimes at the cost of displacing previous communities. This report does not offer a view on these debates but we simply note that private sector demolition is a necessity in some cases, e.g., where homes are structurally unsound, where it is too costly to repair

homes or where homes cannot be adequately repaired to a suitable standard. We use it here as a further signal of public investment in the quality of homes.

As demonstrated in Figure 7, the number of demolitions has fallen drastically over the past decade. If the rate of demolition seen in the last five years continued, and assuming that every demolished home was rebuilt, it would take over 10,000 years to replace the pre-1919 private sector stock alone.

Figure 7: Number of demolitions, 2001/02 – 2021/22



(Sources: Housing Strategy Statistical Appendix (HHSA) until 2014-15 then Local Authority Housing Statistics (LAHS))



Conclusions

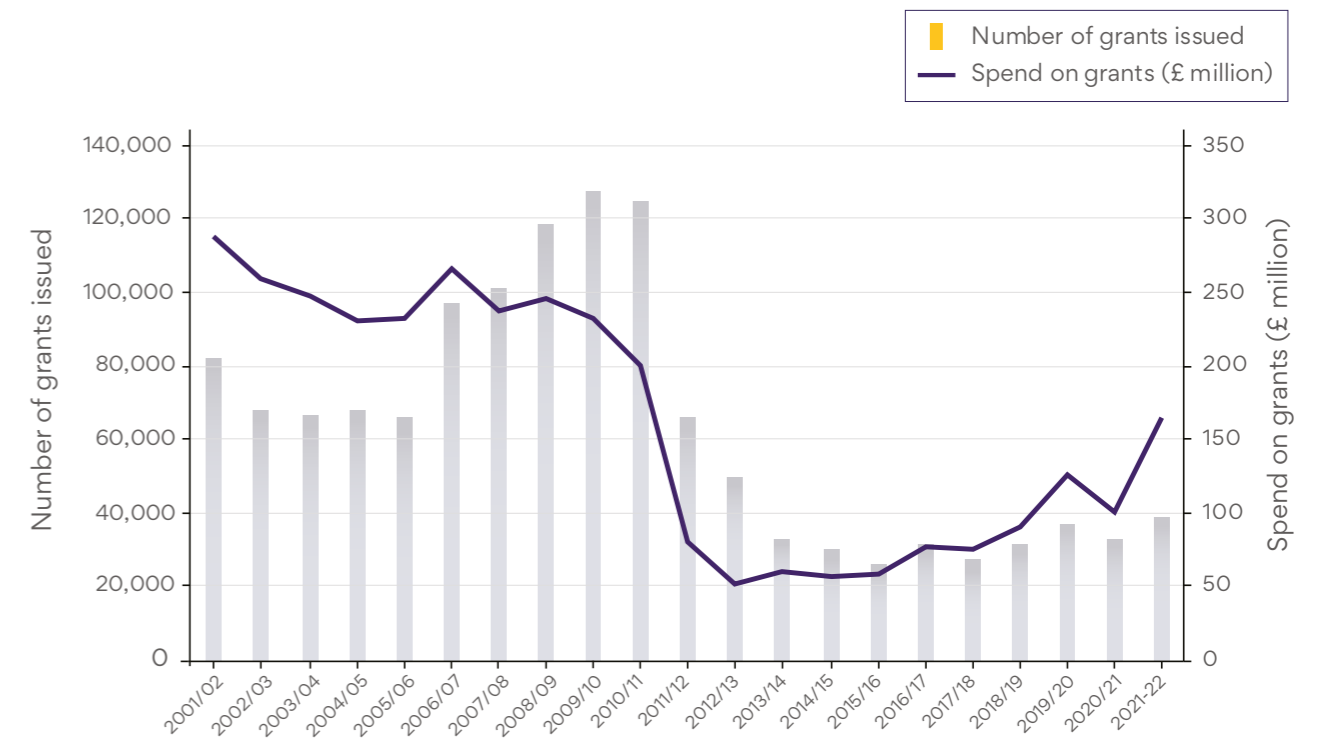


Everyone should have a safe, warm home to live in. A decent home is the foundation for a good life. Unfortunately, millions live in cold, hazardous homes that cause poor health and wellbeing, increased financial insecurity and billions of pounds spent unnecessarily on public services.

The lack of national investment to help homeowners and landlords maintain, repair and adapt their homes is a short-sighted, reckless omission. As we have shown in this report, national

investment translates directly to the number of homes – and lives – transformed. Figure 8 combines both grant and expenditure data for the period 2000 – 2022.

Figure 8: The number of grants issued and spend in England, 2001/02 – 2021/22



(Sources: **Number of grants issued:** DLUHC (and predecessors) Local Authority Housing Statistics Open Dataset, Live table 314 and Housing and Construction Statistics, Welsh Government Stat Wales and Scottish Government Housing Statistical Bulletin tables. UK Housing Review, 2022-23, Table 29a. **Spend on grants:** DLUHC Local Authority Housing Statistics open dataset from 2011/12 to 2020/21, DCLG Live Tables 313 and 314 and Housing and Construction Statistics, Welsh Housing Statistics, and Scottish Government Housing Statistics Bulletins. UK Housing Review, 2022-23, Table 28).

The amount of support offered in the 2000s was insufficient to eradicate poor quality homes but it made a significant difference, particularly to those individuals and families most in need. The gap between then and now is vast. Over the past decade, there has been a withdrawal of £2.3 billion in public expenditure. More was spent in the six years from 2005/06 – 2010/11 than in the last eleven years (2016/17-2021/22). The impact? Had the average annual level of homes supported between 2001/02 and 2010/11 been maintained from 2011/12 to 2021/22, a further 586,500 properties would have been renovated in England. This is the

equivalent of nearly a third of homes with the most serious problems, Category 1 hazards. In reality, the number of these households that local authorities have directly supported has halved.

It is imperative that national government improve access to financial support for low-income homeowners to repair and maintain their homes. Without such action, the number of homes in need of renewal will only rise

The only constant presence throughout this time has been Disabled Facilities Grants. These are far from perfect – with challenges around administration and a budget envelope that still does not fully meet need and demand – but are the only statutory housing renewal grants to survive public funding cuts. Each year they support tens of thousands of people to remain living safely at home, increasing their wellbeing and ability to live independent lives, and supporting efforts to reduce the demand on social care and the NHS. It is vital that they continue.

This report has examined national and local level funding to help individual households repair or maintain their homes, but that is not to say that national and local government are solely responsible for the cost of taking this action. It is a collaborative effort with the many homeowners and landlords who are able to fund the work themselves.

Government does, however, need to act as an enabler, creating an environment that breaks down the barriers individuals face in undertaking this work themselves. At a local level, everyone should have access to independent information and advice about what work they need doing and how much it should cost, access to trusted tradespeople and financial advice (see our work on [Good Home Hubs](#)).

National government should ensure that all local areas are providing these services and assign a national body with oversight to ensure compliance and effective implementation.

It is also clear that this work should sit within a wider, cross-departmental national strategy to improve the quality

of England's housing stock that would in turn improve the nation's health, lift the economy through an investment in skills and trade, and make a significant contribution towards net zero ambitions. The cuts to housing renewal grants have resulted in significant reductions in the number of local organisations who provide these sorts of remedial work. A revival of investment in this sector would contribute to an increase in jobs and improve local economies.

A recent report calculated that:

£9 billion

The needed investment to uplift England's worst housing.

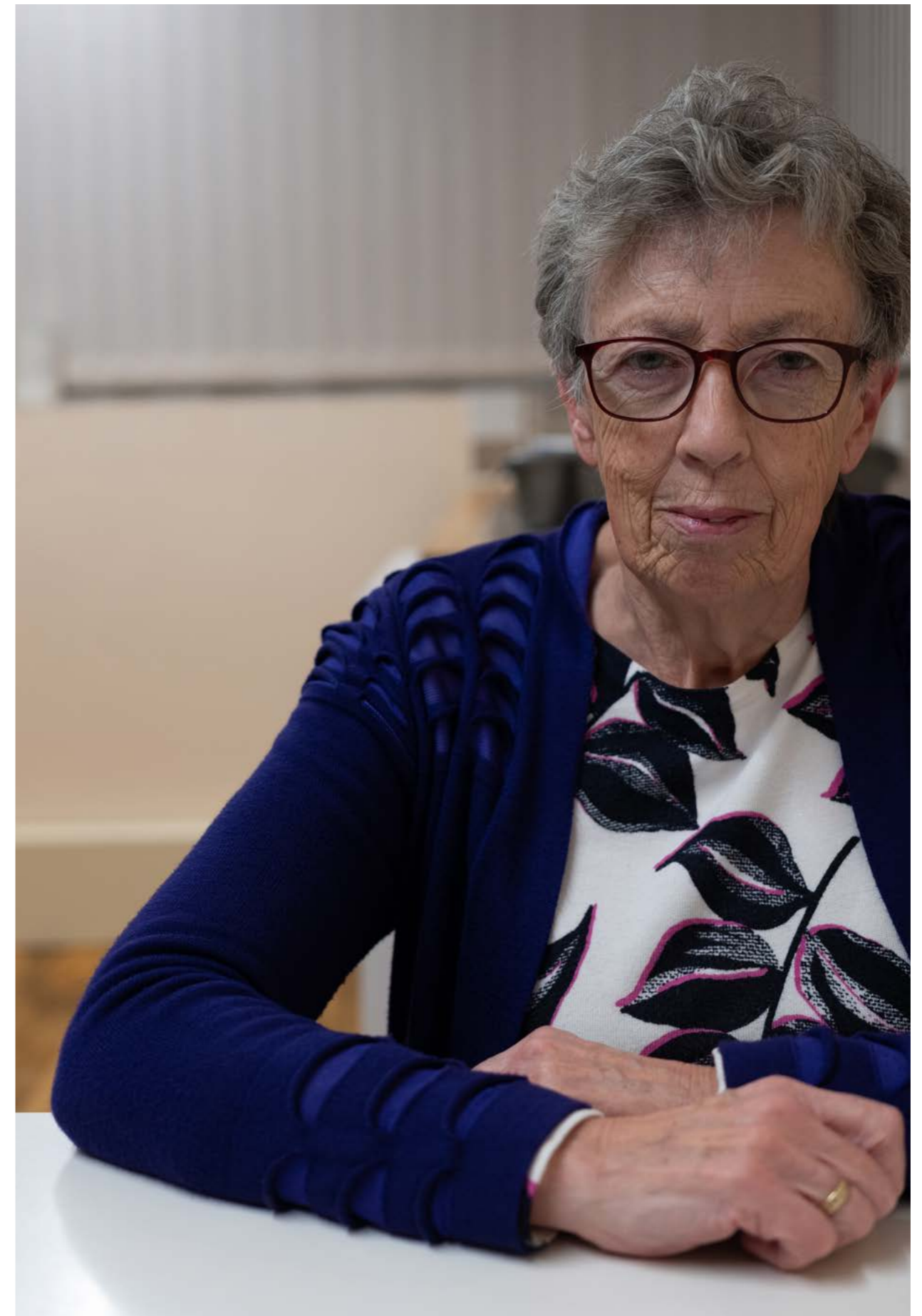
This cost is expected to be recouped within nine years through NHS savings (BRE, 2023).

£135.5 billion

Estimated yearly savings would result from this investment over a span of 30 years.

This value is formed of broader societal benefits, including reduced energy bills, diminished carbon emissions, increased asset values, and an enhanced economic landscape due to improved health.

➤ **The economic, social and moral case for change is clear. We now need action from national government so that everyone has a good quality home and can live longer, healthier and more fulfilling lives.**



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Let's make ageing better.



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