



# A Perfect Storm

An ageing population, low income home ownership, and decay of older housing

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## About Care & Repair England

Care & Repair England is a national charity established in 1986 to improve the housing and living conditions of older and disabled people. Its aim is to innovate, develop, promote and support housing policies and initiatives which enable older and disabled people to live independently in their homes for as long as they wish.

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# Introduction

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**The shape of British society has changed dramatically over the past half century in two specific ways:**

- **An older demographic profile as a result of the significant increase in life expectancy**
- **A radical shift from renting to home ownership amongst lower income groups**

**The full force of these changes is now combining to create a growing social issue – the affordability of home repairs and maintenance in older age amongst lower income home owners.**

There has been an absence of a coherent policy response to this area of growing inequity amongst lower income groups.

The situation has been exacerbated insofar as:

- The rise in low income home ownership has corresponded with decreasing government expenditure on repair and regeneration of private sector housing
- Housing policies have largely focussed on enabling people to become home owners, whilst neglecting to consider long term affordability over the life course
- Government housing help for low income groups is almost entirely directed towards tenants, even though low income home owners now outnumber low income tenants

Health and social care policies have increasingly emphasised supporting older people to live independently in a home of their own, rather than moving to institutional care. As this objective reflects the wishes and aspirations of the majority of people in later life, such a change is to be warmly welcomed. However, the condition and suitability of the homes in which an ageing, low income population lives has not been given due consideration.

As the examples in this report illustrate, failure to make the connection between health, social care and housing disrepair is not only costly, but has potentially dire consequences for individual older people.

This report analyses key housing stock condition, demographic and tenure data alongside main housing policy responses to date.

It considers the emerging policy and practice issues that are arising as a result of this increasing older population, large scale growth in low income owner occupation and the significant reduction in state help with the cost of private sector housing repair.

# Summary

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## Chapter 1:

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### From Unfit to Non-Decent: Trends in older people's housing conditions

Poor housing conditions, and their impact on the health of the inhabitants, were the primary drivers of state intervention in housing dating back to the major social reforms of the 1800s.

Ever since that time action by government to address poor housing standards has been an important part of social policy, from the major slum clearance programmes of the 1930s and post second world war period, to the targeted regeneration of run down localities in the early part of the 21st century.

Consequently, the majority of people in England today are relatively well housed in homes which have reasonable bathroom and kitchen facilities, are warm enough in the winter and which pose no serious risk to their health.

However, whilst the majority of homes are in a reasonable condition, some poor housing conditions remain, and there are signs that new problems are emerging, particularly for 'older old', low income, long term resident home owners and private tenants.

Since the start of systematic collection of data about housing conditions in the 1960s, older people have been consistently over-represented in poor housing, particularly the 'older old' (people over 75 years and over 85 years), with private tenants proportionately the worst housed, followed by older owner occupiers.

The most recent data<sup>1</sup> from the 2007 EHCS again shows that almost 84% (3.2 million) of older and elderly householders in non-decent homes live in private sector housing.

- Vulnerable householders aged 75 or more are most likely to live in non-decent homes (36.5%).
- Over 1 million (67%) vulnerable older and elderly householders in non-decent housing live in private sector housing.
- 86% (865,000) of older and elderly householders in houses in serious disrepair live in private sector housing.
- Over 76% (380,000) vulnerable older and elderly householders in houses in serious disrepair live in private sector housing.
- Non-vulnerable householders aged 75 or more are the most prevalent in cold homes.

In relation to housing in serious disrepair, whilst the overall proportion of households in serious disrepair remained static at 10%, between 2001 and 2005 the position of all older households worsened.

The position of vulnerable householders aged 75 or more declined the most, with the percentage in housing in serious disrepair increasing from 10.8% to 14.4% for this age group. Vulnerable householders aged 60 or more saw an increase from 10% to 12.3%.

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<sup>1</sup> Communities and Local Government (2009), *English House Conditions Survey 2007*, London: C&LG

## Chapter 2:

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### Population Ageing and Housing Tenure

Increased life expectancy has changed the shape of British society.

In 1856 average life expectancy was 40 years. Today it is 84.4 years for women and 81.6 years for men and there are now more people over retirement age than children under sixteen.

These extra years of life are a cause for celebration and are the achievement of a post war society that has focussed much of its efforts to extending life. If society adjusts its thinking and structures, this greater longevity should be viewed as a positive development.

One such adjustment is the need to plan ahead for the housing needs of an older population, including taking account of the increase in years of life spent with health problems and disability.

Home ownership is now the majority tenure, and older people live in around 30% of all homes.

There has been a dramatic increase in the level of home ownership since the 1970s, rising from less than 50% in 1971 to 70% by 2006.

Most of the increase occurred during the 1980s, partly as a result of the 'right to buy' policy combined with increased access to mortgages, particularly for lower income groups.

Whilst home ownership amongst younger groups is falling dramatically, home ownership in older households is still around 75%. This is even higher in some rural areas and amongst those in the 60-70yr cohort, where home ownership is approaching 84%.

One consequence of this major social change is that there are now as many low income home owners as low income tenants. As these households move into low income retirement, the affordability of home repairs and adaptations is becoming increasingly problematic.

## Chapter 3:

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### The main schemes of state assistance for older people living in poor housing from the 1980s onwards

Action by and assistance from the state has played a major role in tackling poor housing conditions since the slum clearance programmes of the 1930s. However, there have been a number of significant changes in approach and policy emphasis during the last 30 years of the last century and the early years of the twenty-first century.

The main focus, particularly during the inter and post second world war years, was on area based demolition and clearance. Very often the state made small compensation payments to the owners of demolished properties and predominantly moved those households into social rented housing.

This process gradually gave way in the 1980s to a focus on renovation of existing properties with the state either directly intervening, such as through block renovation, or incentivising householders to make improvements to individual properties through grant aid. This aid was based on an assessment of the property, without reference to the means or needs of the individual householder, until a new regime was introduced in the 1990s.

From the 1990s onwards, the focus of policy and funding shifted to the occupants as much as the properties, with the introduction of mandatory means tested grants. Then in 2000s the mandatory nature of help ended and discretionary assistance by local authorities came into being, alongside a greater emphasis on use of home equity and preventative provision such as handyman services.

## Chapter 4:

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### **The wider context for private sector housing help, population ageing and addressing disadvantage amongst older people**

The changes described in Chapter 3 to systems of financial assistance for home repair and renovation in private sector properties are underpinned by a philosophical shift away from a collective or state responsibility for the condition of the overall housing stock, to a focus on the responsibility of the individual householder.

In the new 'age of austerity' the first indication of a policy vision concerning responsibilities of the state vs the individual are that the state plays no role. For the first time since 1949 national government has allocated no funding for private sector housing.

There is also an emerging shift in wider social attitudes to older people that is of particular relevance to consideration of older people, housing and equity. In the high profile debates about the cost of pensions, health provision and social care, there is a discernable shift in the tenor of discussion that increasingly portrays older people as a burden.

This change has filtered into the debates and discussions in the housing sector and will increasingly influence policy decisions in this field.

Use of home equity to fund most aspects of older age, including housing needs, is increasingly been cited as the way forward. However, past problems with such lending combined with the current economic uncertainty means that lower income/lower equity groups are understandably going to be wary of such products.

Better value equity release mechanisms, combined with high quality, impartial and independent financial advice and information about equity release, will be critical to recovery in the lending sector, alongside improved financial literacy of potential borrowers.

## Chapter 5:

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### **Housing, health, care and planning: Connections and recommendations**

Older people's health and well being, and consequently their quality of life in older age, are so closely linked to the standards and suitability of their homes and neighbourhoods that connections across a range of policy areas are absolutely critical to achieving many of the stated objectives of the Coalition Government.

Housing condition connections need to be made with the new visions for health and social care, with ideas for the new national planning framework, energy efficiency proposals, welfare benefits simplification ideas, consumer protection, Big Society and emerging wider housing policies.

If these connections are not made, and a range of simple, value for money ideas are not acted upon, then the housing conditions of older, low income home owners will decline. This will have significant negative consequences for the public purse, as well as for individual older people.

## Recommended Value for Money Action

### Connecting Housing and Health

- A targeted programme of 'repairs and adaptations on prescription' linked to low cost handyman services would enable preventative measures to be put into place which reduce calls on the health service.
- Such provision would contribute to speeding up hospital discharge and reducing readmissions.
- The new public health responsibilities of local authorities should specifically include addressing housing related health issues in all tenures.

### Connecting Social Care and Housing

- Fast track, streamlined home adaptations initiatives should be jointly commissioned by social care, health and housing.
- Local, not for profit, home improvement agency services that offer an independent, impartial, person centred provision are needed in all areas. Such provision should offer older people a holistic service covering practical and financial help with home repairs and adaptations, as well as housing and care options information, advice and help.

### Connecting Energy Efficiency and Housing Conditions

- Any future retrofitting initiatives to address energy efficiency in the existing housing stock should be targeted at the low income, vulnerable, private sector households on an equal footing with the social rented sector and should be linked to addressing major disrepair.
- Existing energy efficiency related programmes need to be more effectively aimed at those in greatest housing need whatever their tenure.

### Connecting Wider Housing Policy and Ageing

- Pioneer a new social equity release initiative for lower income, lower equity home owners.
- Develop new home ownership models for lower income households which enable easier stair-casing in and out as people's financial circumstances change, as well as helping with the cost of repairs and maintenance.

### Connecting Consumer Protection, Ageing and Low Income Home Ownership

- National, broad based and specialist information provision, alongside local, impartial advice and help with housing related finance specifically for older people, is critical to enabling older people to make best use of their home equity and limited assets. The successful voluntary sector national initiative, housing care advice should be consolidated and expanded.
- Big Society Bank should be part of an initiative to create attractive social lending products aimed at low income, older people living in poor housing.

## Connecting Welfare Benefits Policy with Housing and Ageing

- The emerging plans for a simplified benefit system need to address the issue of the inequity of financial help for low income home ownership in comparison with help with rental costs.
- There needs to be consideration of a more 'tenure neutral' form of housing costs help, particularly for low income, older home owners.

## Connecting Ageing, Disrepair and Planning

- Create a national planning framework which sets addressing population ageing as a priority. This can help to pave the way for improving homes and neighbourhoods, as well as building more aspirational housing, to address demographic change, thereby saving on health and social care expenditure and stimulating housing market activity.

### Miss King

Miss King is 76 years old. She has lived in her small semi detached home for nearly 50 years and has no close family or friends. She loves her home, has good neighbours and is able to walk to local shops and post office. Unfortunately as she has lived on a very low income for many years, and she used up all her savings looking after her home some time ago. The property had consequently deteriorated to a dangerous degree. With no money Miss King could see no way to deal with the disrepair.

She is very independent and would not ask anyone for help, even though she was starting to think she would have to give up her home and go into council sheltered housing.

A council officer called on Miss King on an unrelated matter and was shocked at her living conditions. The floorboards were rotten, the home was damp and cold with limited heating and no hot water, whilst the wiring was old and dangerous. They contacted the local home improvement agency, which gradually built up trust with Miss King and were able to help her with the repairs.

They helped her to obtain funding for the building works via a repayable council 'grant' whereby a charge is placed on the property repayable upon sale. The agency organised temporary accommodation, as it was not possible to live in the house whilst the work was underway, and their technical officer organised and supervised all of the building work.

The agency obtained a grant from a benevolent fund linked to Miss King's employment history to help with the cost of carpets and arranged for the local Rotary Club to decorate the home after the repairs were finished.

This help has not only transformed Miss King's life, but in the long term has reduced the cost to the state. Without this help with repairs it is likely that she would have moved to rented sheltered housing, or could have had a serious accident/health problem and needed hospital treatment. There has also been a wider benefit to the neighbourhood as a whole through improvement of a neglected property.

# Chapter 1:

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## From Unfit to Non-Decent: Trends in older people's housing conditions

*Poor housing conditions, and their impact on the health of the inhabitants, were the primary drivers of state intervention in housing dating back to the major social reforms of the 1800s.*

*Ever since that time action by government to address poor housing standards has been an important part of social policy, from the major slum clearance programmes of the 1930s and post second world war period, to the targeted regeneration of run down localities in the early part of the 21st century.*

*Consequently, the majority of people in England today are relatively well housed in homes which have reasonable bathroom and kitchen facilities, are warm enough in the winter and which pose no serious risk to their health.*

*However, whilst the majority of homes are in a reasonable condition, some poor housing conditions remain, and there are signs that new problems are emerging, particularly for 'older old', low income, long term resident home owners and private tenants.*

*In this chapter we consider the trends in older people's housing conditions from the 1980s, when the major shift away from clearance to renovation of homes began to predominate, to the present day.*

### Comparing housing conditions over time

Precise comparison of housing conditions over a long time frame is problematic because of changing criteria and definitions. Most factors are relative to their time, so many homes considered adequate or even 'modern' in 1950 would today be considered sub-standard or 'non-decent'.

The English House Conditions Survey (EHCS) has been a consistent source of information about the state of the housing stock in England since the 1960s and provides a useful record of housing condition trends over half a century. It is the primary data source used in this report.

Originally a five yearly survey, the EHCS was updated annually from 2002 and merged into the English Housing Survey in 2008.

The main change in the measurement of housing conditions used in the EHCS was the shift from assessment of a property as 'unfit' to 'non-decent' plus changes arising from the introduction of the Housing Health and Safety Rating Scheme in 2006.

However, whatever the precise definition used in the survey, older people have been consistently over-represented in poor housing, particularly the 'older old' (people over 75 years and over 85 years), with private tenants proportionately the worst housed, followed by older owner occupiers.

### The 1980s

EHCS data reveals that people over 75 years of age are consistently the worst housed age group right up until the current time. Whilst there were major improvements to stock condition during the

80s, and some narrowing of the age differential, those over 75 remained the most likely to live in homes lacking basic amenities, unfit or in serious disrepair throughout the decade.

In 1981, 63% of households lacking amenities were aged 60 or over with 26.1% being 75 years old or more. Older people made up 49.3% of households in unfit properties, with 19.9% being 75 years old.

By 1986, 40.2% of households in unfit properties were aged 60 or more, with 17.9% of this group being 75 years old or more. Older people made up 45.8% of households in serious disrepair, with 26.1% being 75 years old or more.

The EHCS 1986<sup>3</sup> identified that householders aged 75 and over were much more likely than other groups to have homes which were unfit or lacked basic amenities. Although they made up only 10% of all households they occupied almost one-third of dwellings lacking amenities and 16% of unfit dwellings.

42.7% of households in serious disrepair were headed by an older person, with 16% being 75 years old or more.<sup>4</sup>

**Table 1: Age of head of household by households in dwellings which lacked basic amenities, were unfit or were in poor repair (1986)**

Aged	Lacking basic amenities		Unfit		Poor repair <£1000		Poor repair >£1000	
	000s	%	000s	%	000s	%	000s	%
60-74	110	2.6	167	3.9	3,753	87.1	550	12.9
75 and over	112	6.1	116	6.3	1,572	85.1	275	14.9
All ages	359	2.0	718	3.9	15,913	87.1	2,363	12.9

Source: EHCS 1986

Basic amenities: bath, sink, WC inside, wash hand basin, hot/cold water at 3 points

Older people living alone were more likely to occupy housing in poor condition than couples. 19% of single pensioners had houses which were in poor condition compared with 14% of pensioner households of more than one person.

The duration of occupation of a particular property plays a significant role in poor condition and disrepair.

One-fifth of all households had lived in their homes for more than twenty years. One-quarter of these long-term residents lived in poor housing compared with 15% of the population as a whole. The majority of long-term residents were elderly and within this group they occupied a disproportionately large share of housing which lacked basic amenities, was unfit, or in poor repair.<sup>5</sup>

<sup>3</sup> Department of the Environment (1988), English House Condition Survey 1986, London: HMSO

<sup>4</sup> EHCS 1986 Table A 9.2

<sup>5</sup> EHCS 1986, Paragraph 6.6

## The 1990s

Between 1991 and 1996 households headed by someone aged 75 years or more had increased from 10% to 12% of all households and remained more likely than average to live in poor housing.

According to the EHCS 1996, 20% of households aged 75 or more were living in poor housing. Again the position of older people living alone was worse with almost a quarter (23%) living in poor conditions, compared with 15% of couples.

This was mainly due to modernisation work required where the householder had been a long term resident.<sup>6</sup> For example, 12% of older lone person households aged 60 years or more required modernisation, twice the rate for other groups.

## The 2000s

In 2001 a new definition of poor housing – Non-Decent Homes – came into being<sup>7</sup>. Whilst one of the four criteria remained linked to the fitness standard, it heralded a significant shift in housing improvement policy towards upgrading social rented housing rather than private sector, with a target set to make all social rented housing ‘Decent’ by 2010. Investment amounting to an estimated £40 billion in the social rented sector followed.

It is worth noting that of the 7 million households living in non-decent housing in 2001, 1.8 million were occupying social housing.

The classification of households as ‘vulnerable’ was also introduced, but unlike the use of this term in other sectors, eg. social services, it was based solely on income level and receipt of specific means tested and disability benefits.<sup>8</sup>

In 2001, 2.4 million older households, with at least one person aged 60 years or more, were classified as living in non-decent homes. This represented 36% of all households in non-decent homes. Of these, 734,000 were aged between 75 and 84 years and a further 275,000 were aged 85 years or more.

The EHCS 2001<sup>9</sup> data showed that for anyone potentially more at risk from poor housing conditions on account of their age, illness or disability the likelihood of living in a non-decent home was significantly greater if they were private sector tenants, were poor, had no one in full time employment or had lived in their home for more than 25 years.

Nearly 1.2 million people aged 60 years or more and living alone were in non-decent homes.<sup>10</sup> Among owner occupiers people aged 60 years or more and living alone were more likely than other household types to live in non-decent homes with 700,000 (39%) of them doing so.<sup>11</sup>

Throughout the 2000s significant improvements took place in the housing conditions for social rented tenants, but half way through the decade this started to stall. The improvements in the private sector had slowed down earlier leaving the vast majority of poor housing conditions concentrated in this sector.

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<sup>6</sup> Department of the Environment, Transport and the Regions (1998), *English House Condition Survey 1996*, London: The Stationery Office Ltd.

<sup>7</sup> Decent Homes Guidance, July 2001, *A Decent Home – the definition and guidance for measurement*

<sup>8</sup> EHCS 2001, paragraph 4.13.

<sup>9</sup> The Office of Deputy Prime Minister (2003), *English House Condition Survey 2001*, London: ODPM

<sup>10</sup> EHCS 2001, paragraph 4.4.

<sup>11</sup> EHCS 2001, paragraph 4.6.

Whilst numerically small, the highest proportion of non-decent property was private rented housing, with older, vulnerable people in this sector the worst housed.

During this decade a further change took place in the definition of poor housing with the ending of the Fitness Standard and the introduction in 2006 of the Housing Health and Safety Rating Scheme.

Comparison of housing conditions by age became less easy to track using the published annual report of the EHCS and it was necessary to examine the raw data to establish the difference between those over 60 and those over 75. Difference in housing conditions by tenure were, however, still comparable, though again, to identify patterns of tenure and incidence of the worst housing conditions was also only possible by reference to survey data.

Even under this new rating system, living in private sector housing, being over 75 years of age, length of residence and living alone remained the key determinants of the likelihood of living in poor housing.

The EHCS 2006<sup>12</sup> shows that private tenants continued to live in the worst conditions, with 45% non-decency, compared with 34% of owner occupied and 29% of social rented homes.

**Table 2: Trends in Non-Decency 1996 to 2007 (English House Conditions Survey Data)**

	1996		2005		2006*		2007*	
	%	number	%	number	%	number	%	number
total non decent homes	45%	9.1m	27.5%	5.98m	35%	7.70m	34.6%	7.68m
non decent homes: <i>all private sector</i>	43%	6.8m	27.1%	4.82m	36.3%	6.56m	35.8%	6.55m
non decent homes: <i>social sector</i>	53%	2.3m	29.2%	1.16m	29%	1.14m	29.2%	1.14m
Vulnerable households living in non decent homes	1996		2005		2006*		2007*	
	%	number	%	number	%	number	%	number
<i>private sector</i>	57%	1.4m	33.9%	1.07m	41.2%	1.31m	39%	1.23m
<i>social sector</i>	53%	1.6m	(28% <i>all HH</i> )		(27.8% <i>all HH</i> )		(28.1% <i>all HH</i> )	

*\*The definition of a non-decent home changed in 2006. The Housing, Health and Safety Rating Scheme replaced the Fitness Standard therefore the figures are not directly comparable.*

<sup>12</sup> EHCS 2006

The EHCS 2006<sup>13</sup> revealed that almost 4.5 million (21%) households lived in homes with a potential Category 1 hazard. More than a quarter (27%) were retired households<sup>14</sup> (1.215 million).

In 2006 privately owned homes were almost twice as likely to have Category 1 hazards compared to social housing (24% vs 13%). Some 2.5 million homes had at least one of the types of falls hazards and 2.2 million an excess cold hazard.

The EHCS 2006 identified that overall older householders aged 60 or more were more likely than average to be living in non-decent homes.

Elderly (75+) vulnerable households were most at risk of poor living conditions. These households were more likely to be living in non-decent homes (38%) and homes that were in serious disrepair (14%), compared to non-vulnerable elderly households, (35% and 9% respectively) see Table 3.

**Table 3: Household groups by poor living conditions, 2006**

	Non-decent homes		Homes in serious disrepair		Serious mould and condensation		Excess cold	
	no. (000s)	%	no. (000s)	%	no. (000s)	%	no. (000s)	%
All older people 60+	2,667	35.4	739	9.8	209	2.8	994	13.2
Older vulnerable	1,054	35.3	367	12.3	113	3.8	345	11.6
Older non-vulnerable	1,612	35.4	372	8.2	96	2.1	649	14.3
All elderly 75+	1,036	36.7	314	11.1	74	2.6	390	13.8
Elderly vulnerable	538	37.9	192	13.6	37	2.6	193	13.6
Elderly non-vulnerable	499	35.4	122	8.6	37	2.6	197	14.0
All Households	7,313	34.5	1,967	9.3	925	4.4	2,294	10.8

Source: EHCS 2006

In general, housing conditions improved substantially for all types of households between 1996 and 2006. Using the original definition of decent homes the incidence of non-decency across all households fell, on average, from 45% in 1996 to 27%.<sup>15</sup>

Between 1996 and 2006, older vulnerable households saw a 26% reduction (from 55% to 29%) and elderly vulnerable households saw a 23% reduction (55% to 32%). The gap between non-vulnerable and vulnerable older households narrowed from 13% to 4%, whilst for the elderly households this fell from 11% to 3%.

<sup>13</sup> Communities and Local Government (2008), *English House Condition Survey 2006*, London: CLG

<sup>14</sup> EHCS 2006, Chapter 4, paragraph 17.

## Current Position

The most recent data<sup>16</sup> from the 2007 EHCS again shows that almost 84% (3.2 million) of older and elderly householders in non-decent homes live in private sector housing.

- Vulnerable householders aged 75 or more are most likely to live in non-decent homes (36.5%).
- Over 1 million (67%) vulnerable older and elderly householders in non-decent housing live in private sector housing.
- 86% (865,000) of older and elderly householders in houses in serious disrepair live in private sector housing.
- Over 76% (380,000) of vulnerable older and elderly householders in houses in serious disrepair live in private sector housing
- Non-vulnerable householders aged 75 or more are the most prevalent in cold homes.

In relation to housing in serious disrepair, whilst the overall proportion of households in serious disrepair remained static at 10%, between 2001 and 2005 the position of all older households worsened.

The position of vulnerable householders aged 75 or more declined the most, with the percentage in housing in serious disrepair increasing from 10.8% to 14.4% for this age group. Vulnerable householders aged 60 or more saw an increase from 10% to 12.3%.

### Mr Owen

Mr Owen is 84 years old. He has some problems with walking but no other major health problems or disabilities. His wife died about 8 years ago and he had neglected himself and his bungalow since then.

The neighbours contacted Social Services who visited and found him living in appalling housing conditions, with no hot water, squalid kitchen and bathroom, dangerous wiring and a lethal old gas fire.

He was immediately admitted to residential care and Social Services contacted the home improvement agency, Thanet InTouch, to see what they could do about his home.

The agency obtained rapid agreement from the local council that they would provide a 'Home safety repayable grant', whereby a charge is placed on the property, to meet the cost of a replacement kitchen and bathroom, electrical rewire, removal of polystyrene tiles in all rooms and replacement gas fire. All of the building work was organised and supervised by the agency which also cleared the completely overgrown garden.

Mr Owen has been able to leave residential care and return home, about which he is absolutely delighted, and he says he now has a new lease of life.

<sup>15</sup> EHCS 2006, Chapter 9, paragraph 23.

<sup>16</sup> Communities and Local Government (2009), *English House Conditions Survey 2007*, London: C&LG

# Chapter 2:

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## Population Ageing and Housing Tenure

### Age

*Increased life expectancy has changed the shape of British society.*

*In 1856 average life expectancy was 40 years. Today it is 84.4 years for women and 81.6 years for men<sup>17</sup> and there are now more people over retirement age than children under sixteen.*

*These extra years of life are a cause for celebration and are the achievement of a post war society that has focussed much of its efforts to extending life. If society adjusts its thinking and structures, this greater longevity should be viewed as a positive development.*

*One such adjustment is the need to plan ahead for the housing needs of an older population, including taking account of the increase in years of life spent with health problems and disability.*

### Housing

*Home ownership is now the majority tenure, and older people live in around 30% of all homes.*

*There has been a dramatic increase in the level of home ownership since the 1970s, rising from less than 50% in 1971 to 70% by 2006.*

*Most of the increase occurred during the 1980s, partly as a result of the 'right to buy' policy combined with increased access to mortgages, particularly for lower income groups.*

*Whilst home ownership amongst younger groups is falling dramatically, home ownership in older households is still around 75%. This is even higher in some rural areas and amongst those in the 60-70 cohort, where home ownership is approaching 84%*

*One consequence of this major social change is that there are now as many low income home owners as low income tenants. As these households move into low income retirement, the affordability of home repairs and adaptations is becoming increasingly problematic.*

### Population Ageing

In common with most of Western Europe, the population in England is ageing and the rate of increase is accelerating.

The next 20 years will see a rapid rise in the older population. The number of people aged 50+ will increase by 5.2 million, 25%, to 22.7 million between 2009 and 2029<sup>18</sup>. By 2029, 39% of the population will be aged 50 or over.

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<sup>17</sup> ONS (2006) General Household Survey

<sup>18</sup> Audit Commission (2008) *Don't Stop Me Now Preparing for an ageing population*, London: Audit Commission

The Audit Commission, amongst others, predicts that there will be a marked increase in the rate of growth of the very elderly. For example the number of people aged 100 or over will increase fourfold to 40,500 over the next twenty years. The number of people aged 80 or more will almost double from 2.4 million in 2009 to 4.3 million in 2029.

*Lifetime Homes, Lifetime Neighbourhoods* National Strategy for Housing in an Ageing Society<sup>19</sup> identified that over the 30 year period from 2006 to 2036:

- The population aged 65 years and over is set to rise by 7.3 million, from 9.7 million to 17 million, an increase of 76%.
- The number of people aged 75 years and over is expected to increase by 4.4 million, from 4.7 million to 9 million, an increase of 95%.
- The number of people aged 85 years and over is likely to rise by 2.3 million, from 1.2 million to 3.5 million, an increase of 184%.

As shown in Table 4, people aged 65 or more currently represent 16% of the total population. By 2020 they will represent 19% of the total population and 20% by 2025.

People aged 85 or more currently represent 2% of the total population; by 2020 they will represent 2.8% and by 2025, 3.28%. In total by 2020 there will be over 10.5 million people in England over the age of 65 with 1.5 million being 85 or more. By 2025 there will be 11.5 million and almost 2 million respectively<sup>20</sup>.

**Table 4: Population aged 65+ and 85+**

	2008		2020		2025	
	Numbers	percentage of total population	Numbers	percentage of total population	Numbers	percentage of total population
People aged 65 or more	8,279,800	16%	10,563,000	18.74%	11,587,600	19.87%
People aged 85 or more	1,125,600	2%	1,576,000	2.80%	1,912,900	3.28%

Source: 2006 mid year population estimate, Office Office for National Statistics (ONS), 2007

<sup>19</sup> Communities and Local Government (2008) *Delivering Lifetime Homes, Lifetime Neighbourhoods* London CLG

<sup>20</sup> Office for National Statistics (ONS) (2007) 2006 mid year population estimates

## Housing Tenure and Occupancy

Over the past 40 years the predominant trends in housing tenure have been a steep rise in home ownership, an ongoing decrease in social renting, alongside an early dramatic fall in private renting followed by a year on year increase thereafter.

The percentage of households who own their home, with or without a mortgage, rose from 49% in 1971 to 70% in 2006.

The percentage of households renting council homes increased from 31% in 1971 to a peak of 34% in 1981, but since then has declined steadily to 12% in 2006.

The percentage of households renting from a housing association rose from 1% in 1971 to 3% in 1991, the increase continuing since then to 8% in 2006.

The percentage of households renting privately fell from 20% in 1971 to 7% in 1991 but has continued to rise steadily since then.

**Table 5: Housing tenure 1971–2006**

	1971	1991	2000	2006
Owner occupied, owned outright	22%	25%	27%	30%
Owner occupied, with mortgage	27%	42%	41%	40%
Rented privately	20%	7%	10%	11%
Rented from council	31%	24%	16%	12%
Rented from housing association (RSL)	1%	3%	6%	8%
Total private sector	69%	84%	78%	81%
Total social housing	32%	27%	22%	20%

Source: General Household Survey 2006

### Older households

The last Census identifies that 30% of all households are already headed by someone over retirement age. Older people will make up 48% of the increase in new households by 2026, with this figure reaching as high as 90% in some areas<sup>21</sup>.

### Single person households

There has been a considerable increase in the number of single person households over the last 30 years. In 1971, 6% of the population lived in single person households representing 17% of total households. By 1991 this had risen to 11% of the population and 26% of households and by 2006 13% and 30% respectively<sup>22</sup>. Throughout this time around 26% of people aged 65 to 74 lived alone

<sup>21</sup> Communities and Local Government (2008) *Lifetime Homes, Lifetime Neighbourhoods*

<sup>22</sup> ONS (2006) General Household Survey

and 50% of people aged 75 or more. However, there is a marked difference between men and women with 61% of women aged 75 or more living alone compared to only 32% of men of that age. Currently women outnumber men amongst older age groups. In 2006 60% of people aged 75 or more were women. Women will continue to outnumber men in the population aged 65 and over although the gap will narrow slightly, from 56.3% today to 53.8% in 2025. By 2025 there will be 0.9 million women aged between 65 and 74 years old and 2 million aged 75 or more who are living alone<sup>23</sup>. This represents twice the number of men living alone in each age group.

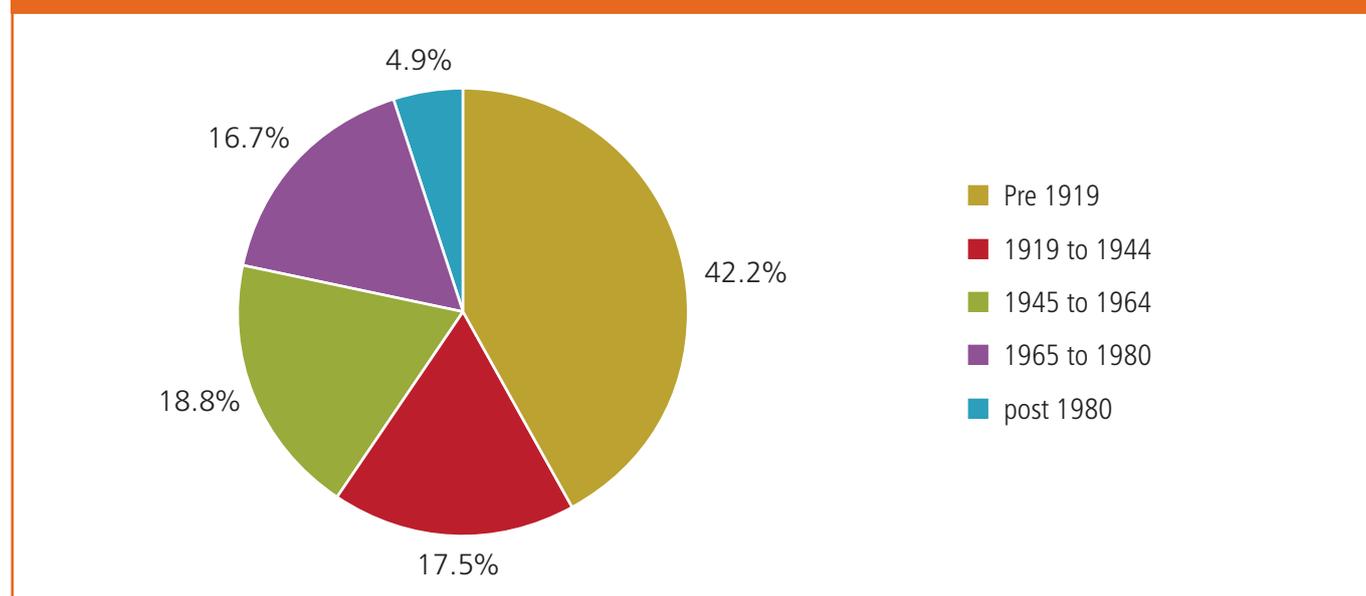
## Vulnerable Households

Figures from the English House Condition Survey<sup>24</sup> show that in 2005 there were 1.6 million people over the age of 60 in private sector housing who were considered vulnerable<sup>25</sup>. This represents over 50% of all vulnerable households in the private sector. Of these 802,000 were aged 75 or more representing 25% of the total.

Slightly more than 57% of vulnerable households of all age groups in the private sector had at least one person with a long term limiting illness or disability.

There are 4.5 million private sector properties that fail to meet the decent homes standard. Of these over 1 million are occupied by vulnerable households. Most non-decent properties, 60%, occupied by vulnerable households are pre war age. Pre 1919 properties make up 42.2% of these and 17.5% are 1919 to 1945 properties, see Figure 1.

**Figure 1: Age of private sector properties occupied by vulnerable households 2005**



<sup>23</sup> ONS (2004) General Household Survey

<sup>24</sup> Communities and Local Government (2008) *English House Condition Survey 2006*, London: CLG

<sup>25</sup> The definition of vulnerable households for April 2005 to March 2007 was households in receipt of: income support, housing benefit, attendance allowance, disability living allowance, industrial injuries disablement benefit, war disablement pension, pension credit, child tax credit and working tax credit. For child tax credit and working tax credit the household is only considered vulnerable if the household has a relevant income of less than £15,050. It does not include being in receipt of council tax benefit or income-based job seeker's allowance.

## Chapter 3:

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### The main schemes of state assistance for older people living in poor housing from the 1980s onwards

*Action by and assistance from the state has played a major role in tackling poor housing conditions since the slum clearance programmes of the 1930s. However, there have been a number of significant changes in approach and policy emphasis during the last 30 years of the last century and the early years of the twenty-first century.*

*The main focus, particularly during the inter and post second world war years, was on area based demolition and clearance. Very often the state made small compensation payments to the owners of demolished properties and predominantly moved those households into social rented housing.*

*This process gradually gave way in the 1980s to a focus on renovation of existing properties with the state either directly intervening, such as through block renovation, or incentivising householders to make improvements to individual properties through grant aid. This aid was based on an assessment of the property, without reference to the means or needs of the individual householder, until a new regime was introduced in the 1990s.*

*From the 1990s onwards, the focus of policy and funding shifted to the occupants as much as the properties, with the introduction of mandatory means tested grants. Then in 2000s the mandatory nature of help ended and discretionary assistance by local authorities came into being, alongside a greater emphasis on use of home equity and preventative provision such as handyperson services.*

#### The 1980s

A survey by the Department of the Environment<sup>26</sup> showed that between 1981 and 1983 grant aid was not being effectively targeted on the worst condition properties. Unfit properties and those with repair costs over £2,500 were less likely to receive grant aid than those that lacked one or more basic amenities.<sup>27</sup> Only 10% of repair grants, the most common, were focussed on unfit properties.

Nor were grants reaching the households in greatest need. The same survey revealed that older people were significantly under-represented amongst grant recipients. Only 22% of grants went to households where the head was 65 years old or more compared to the government's expectation that the rate would be around a third.<sup>28</sup> For householders aged 75 or more the position was even worse with only 3% of grants being received by them.<sup>29</sup>

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<sup>26</sup> Cmd 9513 (1985) *Home Improvement – a new Approach*, London: HMSO.

<sup>27</sup> Exclusive use of indoor toilet, bath or shower, washbasin, kitchen sink and hot and cold water at three points.

<sup>28</sup> Department of the Environment (1983), *English House Condition Survey 1981*, London: HMSO

<sup>29</sup> Mackintosh and Leather (1993), *Renovation File*, Anchor Housing Trust

It was this shortcoming in grant targeting, combined with the over-representation of older people in poor housing, which stimulated the growth of local 'Care & Repair' or 'Staying Put' schemes during the 1980s. These aimed to support older and disabled people to both find funding and also reliable builders in order to undertake the repair work that they wanted in their homes (not always the same as that which was eligible for grant aid) and to support them to access the repairs grant system.

Shelter and the Housing Associations Charitable Trust (now hact) created Care & Repair Ltd in 1986 to further the expansion of this form of support and a major boost followed in 1987 through grant aid from central government under the Assisted Agencies initiative.

The government's analysis of the impact of grant aid for home renovation coincided with a major shift into owner occupation by low income households, stimulated to a significant degree by the Right to Buy initiative combined with greater access to mortgages for lower income households.

It also chimed with a political shift towards what might be referred to as 'individualism' and a move away from a view of collective responsibility for the condition of the private sector housing stock.

These changing conditions culminated in the introduction of a radically different system of grant aid in 1990, under the Local Government and Housing Act 1989.

## The 1990s

The new grant regime marked a significant departure from arrangements over the previous twenty years. Under the 1989 Act, scheme grant assistance was targeted to the worst condition properties, by way of a revised standard of fitness for human habitation,<sup>30</sup> and to people on low incomes, by way of a means test.<sup>31</sup>

The system included introduction of Minor Works Assistance for small-scale works not exceeding £1,000 per application,<sup>32</sup> and £3,000 in three years, for repairs and improvements for people aged 60 or more, thermal insulation, properties within a clearance area or proposed clearance area, and adaptations for the benefit of someone aged 60 or more. Applicants for minor works assistance had to be in receipt of at least one means tested social security benefit.<sup>33</sup>

There were a number of elements in the 1989 Act grant scheme that contributed to improved take up of grant aid by older householders:

- Targeting unfit properties, amongst which older householders were more likely to live.
- Availability of 100% grants, subject to the test of resources.
- Older people with no mortgage costs did relatively better than younger people with significant mortgage costs under the test of resources as these were not reflected in the calculation.
- Targeting of help with adaptations to disabled people (many of whom are older people) on low incomes.

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<sup>30</sup> Housing Act 1985, S. 604 as amended by Schedule 9 Local Government Act 1989.

<sup>31</sup> Local Government and Housing Act 1989, S. 109.

<sup>32</sup> Ibid. S. 131(2)(a).

<sup>33</sup> Ibid. S. 131(3) and Regulation 4(1)(c) The Assistance for Minor Works to Dwellings Regulations 1990.

- Provision of minor works assistance for repair, improvement or adaptation of private sector housing for people aged 60 or more in receipt of a means-tested benefit.
- The growing development of home improvement agencies, assisting mainly older people in private sector housing to carry out repairs, improvements and adaptations to their homes.

The new legislation had an immediate and radical effect on the provision of grant aid. Far fewer grants were approved under the new scheme but the individual grants were of significantly higher value.

Older people were dramatically more likely to be recipients of grant aid under the 1989 Act scheme. In the first two years almost half of all renovation grants and three quarters of disabled facilities grants were awarded to people who were 60 or more.

Despite this relative success of targeting older people in poor housing, the 1989 Act scheme soon came under close scrutiny and criticism from practitioners, academics and voluntary organisations alike.

The lack of a cap on the value of the grant resulted in some high profile cases of exceptionally large grants for very high value properties and also the number of grants dropped (down from 90,000 in 1990 to only 52,600 in 1992) whilst expenditure rose. [Though it is worth noting that in 1992 some 29,300 minor works assistance grants were awarded, 75% of them for older people].

In July 1992, the Department of the Environment announced a number of changes to the scheme (implemented in April 1993) including a mandatory grant ceiling of £50,000 and the introduction of a steeper taper within the test of resources.

A further review of the system in 1993 identified five key aims of housing renewal policies:<sup>34</sup>

- Target resources on the worst condition housing;
- Focus on the poorest households;
- Provide flexibility for local authorities to act strategically;
- Address the problems of vulnerable groups;
- Be simple to understand and administer.

The 1989 Act scheme was seen to be achieving a number of those key aims. 90% of renovation grants had been approved for unfit properties. Grant aid was well focused with 60% of grants awarded to people on means tested benefits. The availability of 100% grants ensured that the very poorest could receive effective assistance.<sup>35</sup> However, affordability and flexibility for local authorities were seen as problematic.

A mandatory grant limit of £20,000 was hurriedly introduced and in February 1996 a new Parliamentary Bill was published. The main provision of the Bill, in relation to renewal grants, was to break the link between the fitness standard and renovation grants by abolishing mandatory grants.

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<sup>34</sup> Department of the Environment (1993) *The Future of Private Housing Renewal Programmes: A Consultation Document*, London: DoE. Para 2.8

<sup>35</sup> Ibid. Paragraph 3.1.

Part 1 of the Housing Grants, Construction and Regeneration Act 1996 was implemented in December 1996<sup>36</sup>.

The main types of assistance available under the 1996 Act scheme were Discretionary Renovation Grants, Mandatory Disabled Facilities Grants and Home Repair Assistance.

The central theme to the 1996 Act scheme, and the introduction of the single-pot for housing capital finance was the extension of local authority discretion. It had a very significant impact on grant activity.

Year(s)	Number of Grants for Renovation
1990	90,000
*1992-3	36,039
*1993-6	c 37,000 pa
*1996-7	34,000
*1997-8	23,000
*1997 to 00	c 17,000 pa
*2000/01	15,280

*\*Note: Figures do not include Minor Works/HRA Grants*

## The 2000s

The government once again decided to amend the national grant scheme at the beginning of the new century.

Changes were implemented by the use for the first time of a Regulatory Reform Order with minimal debate or consultation. The RRO (Housing Assistance) (England and Wales) 2002<sup>37</sup> introduced new, wide discretionary powers to allow local authorities to provide financial and other assistance for repair, improvement and adaptation. Authorities were encouraged to increase use of loans and equity release and move away from grants. This is described further in Section Four alongside other emerging housing repairs provision.

The value of grant assistance has generally declined since 1996 irrespective of the numbers of grants involved. In 1996/97 the total value of grants was over £381 million. This dropped immediately in 1997/98 to £310 million, presumably reflecting the abolition of mandatory renovation grants. By 2002/03 the value of grant aid had reduced to around £250 million and has remained broadly at that level since then.

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<sup>36</sup> The Housing Grants, Construction and Regeneration Act 1996 (Commencement No. 2 and Revocation, Savings, Supplementary and transitional Provisions) Order 1996.

<sup>37</sup> SI 2002 No. 1860

## More recent initiatives to address poor private sector housing conditions

Following the 2002 changes to LA powers and new guidance from central government, a growing number of local authorities began to use their private sector renewal budgets to subsidise social equity release schemes. After decades of expecting the private sector to step up the provision of equity release it was increasingly recognised that this was unlikely to happen, particularly for anything less than the prime end of the market.

There has been surprisingly little systematic, detailed tracking of the uptake, cost benefits and use of local authority supported equity release over the decade. National information and analysis about precisely how loans are being used (to do what work to which properties, nature of the people taking up loans and impact on stock condition) is not available.

A report by DTZ Peda<sup>38</sup> published by Communities and Local Government in 2007 examined the emerging forms of finance to improve housing conditions for vulnerable owner-occupiers. It concluded that *“Our research suggests that vulnerable owner-occupiers will take out a loan for repairs and maintenance provided the terms are acceptable, that they believe the works are absolutely necessary and they have no alternative, such as recourse to savings.”*

A report by Foundations<sup>39</sup>, the national co-ordinating body for home improvement agencies (HIAs), noted that 89 HIAs (in about a third of LA areas) reported that some form of loan was available for home repairs and that in 69% of cases it was an interest free loan supported by the local authority.

It concluded that *“the market in loan products to assist vulnerable homeowners to undertake repairs, adaptations and improvements is still in its infancy. While certain products have taken hold in some areas, the overall take-up is low and there are still many areas of the country where little or no loan activity has taken place”*.

There is some anecdotal evidence emerging from HIAs that whilst the level of take up of subsidised loans is rising in some areas, the nature of the people that the HIA is assisting is changing from the most vulnerable (eg. the ‘older old’ in the worst housing who are reluctant to take up loans) to a younger age group who are willing to borrow and appreciate the benefits of the social loan vs a commercial one. This warrants further examination.

## State Support for Area Based Housing Interventions

Area based interventions continued throughout the 90s and 00s via a range of government initiatives focussed on the most deprived areas through schemes such as Pathfinder with mixed outcomes for older people.

In 2003 the report *Now You See Me...Now You Don't*<sup>40</sup> examined how older people were faring in regeneration and followed on from a report in 2000 called *Overlooked and Excluded*.

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<sup>38</sup> CLG (2007) *Loan Finance to improve housing conditions for vulnerable owner occupiers*, CLG, London

<sup>39</sup> Foundations (2008) *Lending Some Comfort Foundations/CLG: Glossop*

<sup>40</sup> Riseborough M, Jenkins R, (2003) *Now you see me, now you don't Age*, Concern London

As the titles of the reports make clear, there were significant shortcomings in the extent to which older people were being engaged in regeneration of their housing or having their housing needs and aspirations met. It was noted that despite the fact that older people are highly diverse there is still a tendency to lump all older people together and for tokenism (*'oh, yes, we could build an extra care scheme'*).

## Other State Supported Housing Repairs Assistance

In the face of declining state assistance through grants for large or medium scale home repairs for older people, interest has grown in the provision of small affordable 'odd job' or handyperson services. Fitting in well with the wider prevention agenda and attracting interest from social services in particular for this reason, there has been a gradual increase in availability, often delivered by local home improvement agencies.

Such provision had been pioneered by Care & Repair England since the 80s. An injection of £30m via grants from Communities and Local Government for every local housing authority in England for 2009-11 (linked to publication of *Lifetime Homes, Lifetime Neighbourhoods* in 2008) sent a clear message to service commissioners for such schemes to increasingly be considered part of the mainstream.

There are issues about the extent to which all of this money has reached the front line and resulted in significant growth in local capacity and availability, with some local authorities simply absorbing the funds and not commissioning any handyperson services. Nevertheless, evaluation of the impact of the handyperson services funding is underway and a tool to enable analysis of cost benefit has been created. Whilst this emerging information may help to sustain at least some of the local services, reductions in local authority funding and the discretionary nature of such help means that many may well struggle to survive.

## Future Indications

The Comprehensive Spending Review announcement made in October 2010 included no specific allocation from Communities and Local Government to tackle private sector housing disrepair and there was no mention of any plans or initiatives to address private sector non-decency.

No policy statement has yet been forthcoming concerning the perspective of the coalition government about private sector housing conditions or the role of local councils or central government in dealing with disrepair or housing regeneration.

## Mrs Brotherton

Mrs Brotherton, 81 yrs of age, has lived in her mid terrace property for over 50 yrs. She has emphysema, heart problems and poor mobility.

When she was referred to the In touch Mid & West Kent home improvement agency, they found that she had had no running water for several weeks and no hot water for a number of years. The windows had rotten wooden frames with broken glass, some falling out and tied up with string. The main heating was a gas fire in the living room from which black smoke was pouring. Mrs Brotherton had not been able to get in and out of the bath for over 2 years. She had been burgled on several occasions.

She had no savings left, lives on a low income and had never claimed any financial benefits relating to her disability or care needs.

### **How Mrs Brotherton has been helped to stay in her own home at relatively low cost**

The home improvement agency pulled together a range of help including:

- Emergency heating provided, grant from 'Cold Busters' obtained to replace the gas fire and install insulation
- Emergency fund used for plumber to sort water supply
- Handyperson installed carbon monoxide detector, smoke alarms, night lights, security measures, grab rails
- Repayable grant obtained from local authority for replacement windows and doors, wiring and hot water system
- Royal British Legion grant for a cooker and washing machine
- Disabled facilities grant for bathing adaptation
- Attendance Allowance awarded which leaves her better able to afford future help
- Foot care service which has increased mobility
- Put in touch with Brighter Futures social group and Age Concern to get her out of the house and reducing social isolation

Mrs Brotherton is now able to continue to live independently at home, is still not calling on social care and is in a much better physical and mental state, thereby reducing risk of needing intensive health care.

## Chapter 4:

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### The wider context for private sector housing help, population ageing and addressing disadvantage amongst older people

*The changes described in Chapter 3 to systems of financial assistance for home repair and renovation in private sector properties are underpinned by a philosophical shift away from a collective or state responsibility for the condition of the overall housing stock, to a focus on the responsibility of the individual householder.*

*In the new 'age of austerity' the first indication of a policy vision concerning responsibilities of the state vs the individual are that the state plays no role. For the first time since 1949 national government has allocated no funding for private sector housing.*

*There is also an emerging shift in wider social attitudes to older people that is of particular relevance to consideration of older people, housing and equity. In the high profile debates about the cost of pensions, health provision and social care, there is a discernable shift in the tenor of discussion that increasingly portrays older people as a burden.*

*This change has filtered into the debates and discussions in the housing sector and will increasingly influence policy decisions in this field.*

*Use of home equity to fund most aspects of older age, including housing needs, is increasingly being cited as the way forward. However, past problems with such lending combined with the current economic uncertainty means that lower income/lower equity groups are understandably going to be wary of such products.*

*Better value equity release mechanisms, combined with high quality, impartial and independent financial advice and information about equity release, will be critical to recovery in the lending sector, alongside improved financial literacy of potential borrowers.*

#### Housing Help for Home Owners

State expenditure to improve housing stock was, up until the late 1980s, focussed primarily on the upgrading of buildings and wider environmental improvements. Grants for renovation were not based on the financial means of the property owner, but, given that they met only part of the cost of the necessary repair work, were seen as incentivising owners to bring a home up to a certain 'fitness' standard.

This all changed in the 1990s with the introduction of means tested grants, underpinned by a shift in vision with regard to the role of government in housing renovation.

*'The Future of Private Housing Renewal Programmes' published in June 1993<sup>41</sup> stated the Government's view as:*

*"Private housing is first and foremost a private asset and, as with all such assets, responsibility for repair and maintenance rests primarily with the owner."*

Under a different Government in 2001 the consultation document which resulted in major changes under the Regulatory Reform Order in 2002<sup>42</sup> stated that whilst the Government was committed to improving housing quality in all tenures, including the owner-occupied sector,

*"...it is only right that the responsibility for maintaining privately owned homes should rest first and foremost with the owner."*

This latter document noted that housing impacted on people's health and also acknowledged that not all homeowners, particularly older people, can afford to keep their homes in good repair. It was stated that tackling poor conditions in privately owned housing is an important part of each local authority's strategic role, but it was left to individual local authorities to determine what form that help should take.

During the three decades from the 70s to the 00s there was a major rise in the value of property (albeit with a dip during recession), alongside the shift into owner occupation, up from around 50% in 1970s to 70% by the 00s. At the same time social policy ideas began to emerge that might be generally referred to as asset based welfare founded largely on this growth in housing wealth.

Housing wealth was variously expected to cascade down the generations, supplement pensions, meet social care costs, contribute to health care expenditure, assist children and grandchildren with the costs of education and housing deposits, and be available to meet the ongoing costs of home repair and adaptation.

The value of property owned by older people was (and still is) routinely cited in a range of related policies, particularly those concerning meeting the costs of long term care for older people.

This increased focus on the potential use of home equity should also be seen in the context of the rise in low income home ownership. As previously noted, there are now slightly more low income home owners (all ages) than low income tenants. However, systems of state financial support for housing costs are almost entirely focused on support for people in the rented sector through housing benefit (currently around £20 billion) with the exception of specific interventions such as mortgage rescue schemes and limited help with other housing costs in means-tested benefits.

Whilst pensioner poverty has been reduced over the past decade or so, more than half of all pensioners still receive 50% or more of their income from state support. Around 30% of pensioner couples and 48% of single women pensioners have savings of under £1,500. With such low incomes and minimal savings, a growing number of older people are facing real difficulties in meeting the costs of home repair.

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<sup>41</sup> Department of the Environment (1993) *The Future of Private Housing Renewal Programmes: A Consultation Document*, London: Department of the Environment.

<sup>42</sup> DETR (2001), *Private Sector Renewal, Reform of the Housing Grants, Construction and Regeneration Act 1996, Local Government and Housing Act 1989 and Housing Act 1985*, London: Department of the Environment, Transport and the Regions.

Thus there is a growing problem of sustainability and affordability of home ownership amongst lower income pensioners. This is coinciding with a rising sense of social unfairness that is illustrated graphically by the case below.

### **Bill**

Bill worked as a garage fitter living on a low income all of his life and now living on a state pension, pension credit and council tax benefit, the latter reduced because he has some moderate savings. He bought his home under the Right to Buy scheme and always did the repair and maintenance work himself. Reduced mobility means that he can no longer do this work and he faces problems with the cost of repairs. The house has draughty old windows and doors, defective electrical wiring, a sub-standard kitchen and bathroom, with poor thermal and heating standards. The value of the home is low and would not be enough to purchase a unit in the local retirement housing development.

### **Phil**

Phil worked on and off during his earlier life as a casual labourer on building sites. He has remained a tenant on the same estate as Bill and lives on a state pension and pension credit plus is in receipt of full housing benefit and council tax benefit. His house has undergone major renovation through the Decent Homes programme, including installation of a new bathroom and kitchen, double glazing, central heating, new wiring and roof. He is warm and comfortable in his home and happy to live there knowing that should his health and mobility deteriorate he would have a good chance of being able to move into one of the new extra care housing schemes that have been built on the estate by a housing association.

Source: Cann P & Dean M (Ed) (2009) *Unequal Ageing Policy Press*

## **Ageing and Disadvantage**

### **Social Policy and Attitudes to Age**

Over the past decade a series of strategy documents have addressed the major demographic shift underway in the UK, including *Opportunity Age and Building a Society for All Ages*. In parts these use language based on the concept of active or positive ageing, noting the important and useful contribution that older people make to society and citing ageing as an opportunity rather than a burden.

They also reflect a policy perspective which places responsibility for the consequences of ageing largely on individuals themselves, rather than as a collective responsibility for society. This trend underpins the ongoing debates about use of housing equity and personal resources to meet the costs of older age.

With regard to housing and population ageing, *Lifetime Homes, Lifetime Neighbourhoods*, the national government strategy for housing in an ageing society, was founded on principles of enabling individual choice in housing options in older age and ageing in place.

Similarly, in the field of social care, enabling older people to live independently in their own homes for longer and, in the case of health, providing care at or closer to home, has been a dominant theme, even though most of the policy documents related to this have made little or no reference to the connection of housing conditions and suitability.

There is a newly emerging shift in wider social attitudes to older people that is of particular relevance to consideration of older people, housing and equity.

In the high profile debates about the cost of pensions, health provision, social care and even assisted suicide there is an invidious shift in the tenor of discussion that increasingly portrays older people as a burden.

This has filtered into the debates and discussions in the housing sector. Policy makers and social rented landlords are becoming increasingly vocal about older people 'under-occupying' properties and sending out a clear message that older people are in the way of 'more deserving' families on housing waiting lists.

The current government and housing organisations are engaged in debates about the ending of security of tenure in social rented housing and the idea of a periodic re-assessment of a person's 'need' for their social rented home.

Housing benefit is being reduced and some of this reduction is linked to an assessment of under-occupation.

Older people are feeling under increased pressure to move home, particularly if they need help with adaptations. Some social landlords are not only withdrawing from assisting their older tenants with adaptations, but also refusing permission for adaptation installation even when a third party is meeting the costs.

This increasingly negative attitude towards older people is also starting to percolate into the private sector, again, often in connection with under-occupation in areas of high housing demand. In the case of home adaptations there is a growing debate about whether help should be provided to adapt the current home, rather than 'encourage' the person to move.

There is an emerging undercurrent of resentment from some younger people who find themselves priced out of the housing market. Again, older people are portrayed as holding onto assets and somehow 'keeping things' from the next generation.

These emerging social attitudes have a major impact on any rational debate about support for owner occupation and any supported initiatives to address poor housing conditions amongst older people. Such attitude shifts shape the thinking of policy makers and can also affect any sense of sympathy that the wider public may have for disadvantaged groups.

## Social Disadvantage

Because of the significant social changes connected with low income and housing tenure, there is an increasing number of groups of people with particular disadvantages living in private sector housing, with resulting problems with regard to both the upkeep and adaptation of those homes<sup>43</sup>.

This includes disabled people, particular BME groups, single older women, older people with learning disabilities and those with mental health problems.

There is a higher level (and earlier onset) of ill health and disability amongst lower income groups. Disabled people (all ages) are twice as likely to live in poverty as non-disabled people.

Whilst a higher proportion of social tenants are disabled, numerically more disabled people live in private sector housing.

The picture with regard to race and housing is a complex one. For a variety of historical, cultural and socio-economic reasons the tenure patterns for different ethnic groups varies significantly. However, it is possible to conclude from the EHCS that many BME groups are over-represented in poor housing conditions and that (due primarily to migration patterns in the 60s and 70s) there is a significant rise in the number of BME elders living in private sector housing on low incomes who will increasingly face problems with home repair and maintenance.

From inception, the majority group calling on home improvement agency services<sup>44</sup> has been older single women, often widows who find themselves both with much lower incomes with which to maintain their homes after the death of the spouse and also having to deal with undertaking maintenance and repairs for the first time.

Single women pensioners have the greatest dependency on mean-tested benefits. For example, 30% of single women pensioners are in receipt of Pension Credit compared to 23% of single male pensioners and only 12% of pensioner couples.

There are other specific groups of socially disadvantaged people who are increasingly affected by poor housing. Older adults with moderate learning disabilities are now far more likely to be living in private sector housing, very often inherited from their carer/ parent. The emerging consequences and potential future housing problems have been documented in the report *'In Our Own Homes'*<sup>45</sup>, and include serious property degeneration, potential for abuse and loss of the home.

A further emerging issue, reported by home improvement agencies and noticed by related professionals but largely unquantified, is owner occupation and mental health. Associated problems such as compulsive hoarding, inability to manage the property, breakdown of social relationships with neighbours are all emerging as problematic in the owner occupied sector.

Whilst the interconnection between mental health and financial difficulties has been documented, there is a further as yet unexplored issue of the inter-relationship between mental health and the responsibilities of home ownership. The link between older people feeling their lives slipping out of control and being more prone to depression when they are struggling to afford or manage the day to day upkeep of their home is one which is reported anecdotally by home improvement agencies and one which warrants further investigation.

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<sup>43</sup> Adams S, Ellison M (2009) *Time to Adapt: Home adaptations for older people -the increase in need and future of state provision*, Care & Repair England, Nottingham

<sup>44</sup> Home improvement agencies were set up primarily as not for profit services to help low income home owners living in poor or unsuitable housing to find the money for and carry out repairs and improvements to their homes.

<sup>45</sup> Easterbrook L, Adams S (2007) *In our own homes*, Care & Repair England: Nottingham

The latter issues may be of minority concern, but when the main or only source of financial help with home repair costs is equity release, mental capacity to deal with and make decisions about a relatively complex matter is of particular relevance.

## **Equity Release, Wider Economic Situation and Market Confidence**

In any debate about housing and home ownership, trends in the value of property and the cost of borrowing are key considerations.

When such discussions concern the use of home equity by lower income households to renovate and repair property those factors are absolutely critical.

The private sector equity release market was seriously damaged by high profile cases during the previous recession, when older people lost their homes when equity release debt exceeded the value of their property as house prices fell. Some of the subsequent shared appreciation mortgages during the house price boom which resulted in massive payouts to lenders when homes were sold at peak prices, further reduced confidence.

The de-mutualisation of most building societies also saw the end of social lending during this same time frame, and the consequent cessation of any remaining low cost equity release schemes for lower income groups.

Whilst schemes such as Safe Home Income Plans or SHIP<sup>46</sup> were developed to prevent loss of property, and products were developed that offer greater safeguards such as capped interest rates, there nevertheless remains a great deal of concern and suspicion about equity release amongst a large proportion of the older population, particularly the 'older old'.

This concern should not be dismissed lightly and needs to be understood more fully, particularly for those with limited equity and limited means. As noted above, the decades of the 80s and 90s saw lower income households become homeowners for the first time in their families' history. This makes the ownership of a property even more important as it is likely to be the only asset of many such households (note the point in Chapter 3 about limited savings).

In the current uncertain economic climate any borrowing on the basis of property value is going to be a less attractive option. Combined with predictions about further major rises in interest rates, lower income groups are understandably going to be wary of any product which has the potential to snowball in cost, such as rolled up interest products.

Better value equity release products combined with high quality, impartial and independent financial advice and information about equity release, will be critical to recovery in the lending sector, alongside improved financial literacy of potential borrowers.

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<sup>46</sup> [www.ship-ltd.org](http://www.ship-ltd.org)

## Chapter 5:

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### Housing, health, care and planning: Connections and recommendations

*Older people's health and well being, and consequently their quality of life in older age, are so closely linked to the quality of their homes and neighbourhoods that connections across a range of policy areas are absolutely critical to achieving many of the stated objectives of the Coalition Government.*

*Housing connections need to be made with the new visions for health and social care, as well as with the new national planning framework, energy efficiency proposals, welfare benefits simplification, consumer protection, Big Society and emerging wider housing policies.*

*If these connections are not made, and a range of simple, value for money ideas are not acted upon, the housing conditions of older, low income home owners will decline. This will have potentially major negative consequences for the public purse, not to mention for individual older people.*

#### Connecting Housing and Health

The condition of a person's home and the qualities of the neighbourhood in which they live are closely linked to their health and ability to be involved with their family, friends and social networks. Housing suitability and standards play a key role in determining both physical and emotional health of a person, including an individual's sense of engagement with, or exclusion from, wider society. Consequently, quality and suitability of a person's home are key determinants of their experience of growing older, and also directly impact on their need for health and care services.

Older people are the primary users of health services and many of the common chronic health conditions experienced by older people have a causal link to, and/or are exacerbated by, particular housing conditions. These include heart disease, stroke, respiratory conditions, mental health, arthritis and rheumatism<sup>47</sup>.

One of the major causes of death, injury and decline amongst older people are falls in the home<sup>48</sup>. There is a well established link between housing conditions and falling<sup>49</sup> thus the prevalence of poor or unsuitable housing conditions amongst older households increases the risk of falls<sup>50</sup>.

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<sup>47</sup> Blackman T (2005) *Housing Risks and Health Inequalities in Housing* London Department of Health Housing LIN

<sup>48</sup> World Health Organisation (2007) *Global Report on Falls Prevention in Older Age* WHO

<sup>49</sup> Heywood F (2006) *Better Outcomes, lower costs: Implications for health and social care budgets of investment in housing adaptation, improvements and equipment: A review of evidence* London: Department of Work and Pensions (Commissioned by The Office for Disability Issues

<sup>50</sup> University of Warwick, London School of Hygiene and Tropical Medicine, Office of the Deputy Prime Minister (2003) *Statistical evidence to support the Housing Health and Safety Rating System volume II – summary of results.* (2003) Office of the Deputy Prime Minister, London

Given that the costs to the NHS of hip fractures alone exceeds £1 billion<sup>51</sup>, disrepair and the presence of falls hazards in the homes of older people are clearly public health issues.

One of the greatest health inequalities between older people and the wider population is excess winter deaths. Poor thermal standards in the homes of older people are a quantifiable contributor to excess winter deaths<sup>52</sup> and also one of the main reasons for homes being assessed as having a Category 1 Hazard.

The Building Research Establishment has developed a methodology for quantifying the health costs of specific aspects of poor housing, concluding that the annual cost to the NHS of dealing with the health consequences of Category 1 Hazards in homes is over £600 million<sup>53</sup>.

In summary, poor housing results in higher costs to the health service through higher levels of GP visits, hospital admissions, and delayed discharge from hospital.

*'The Coalition: our programme for government' states "We will investigate ways of improving access to preventative healthcare for those in disadvantaged areas to help tackle health inequalities today".*

Non-decent homes, and particularly those with Category 1 Hazards, are disproportionately occupied by vulnerable older people in the private sector. Poor housing is clearly linked to health inequalities, so targeted programmes to address private sector disrepair have a quantifiable health benefit.

### Value for Money Action

- A targeted programme of 'repairs and adaptations on prescription' linked to low cost handyperson services would enable preventative measures to be put into place which reduce calls on the health service.
- Such provision would contribute to speeding up hospital discharge and reducing readmissions.
- The new public health responsibilities of local authorities should specifically include addressing housing related health issues in all tenures.

## Connecting Social Care and Housing

*'The Coalition: our programme for government' states: "We will help elderly people live at home for longer through solutions such as home adaptations and community support programmes".*

To meet this very welcome objective, older people's homes need to be warm, well maintained and adapted to enable independence. Consequently, practical housing help is critical to achieving this aim.

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<sup>51</sup> DParrott, S. (2000) *The Economic Cost of Hip Fracture in the UK*. York: University of York (£726m estimate updated to current costs)

<sup>52</sup> M Davison et al (2010) *The real cost of poor housing* BRE

<sup>53</sup> Ibid

The most vulnerable older home-owners, including those with physical or sensory impairment, learning disability, mental health problems, dementia or other age-related conditions, all of whom are more likely to call on social services for care and support, face particular challenges when trying to maintain their existing homes.

Whilst many older people remain fit and active well into later life, for a significant minority decline in health and mobility is a reality. One in five of those aged 50 years and over, and 2 in 5 of those aged 80 years and over, report difficulties with one or more aspects of basic self care (such as washing and dressing) and mobility<sup>54</sup>.

It is estimated that the number of older, disabled people in England will double from 2.3m in 2002 to 4.6m by 2004<sup>55</sup>. Access to help with home adaptations is therefore increasingly critical to enabling independent living amongst vulnerable, low income, older households.

As detailed in Chapter 1, one in six low income home-owners in a home which is considered 'non-decent' and one in three live in homes that do not meet their needs in terms of accessibility or adaptations.

Poorly maintained, hazardous, ill adapted housing results in higher demands for social care and can reduce the length of time that older people can live independently in their own homes.

### Value for Money Action

- Fast track, streamlined home adaptations initiatives should be jointly commissioned by social care, health and housing.
- Local, not for profit, home improvement agency services that offer an independent, impartial, person centred provision are needed in all areas. Such provision should offer older people a holistic service covering practical and financial help with home repairs and adaptations, as well as housing and care options information, advice and help.

## Connecting Energy Efficiency and Housing Conditions

'The Coalition: our programme for government' states "*We will require continuous improvements to the energy efficiency of new housing*".

It is clearly important to improve the energy efficiency of new housing, but at the same time the poor thermal standards of the existing stock, particularly homes occupied by the most vulnerable, needs to be a key target for improvement.

Warm, decent homes are critical to the health and well-being of older people, who spend 80-90% of their time at home. Those who are the most likely to live in cold homes are older (75yrs or more), low income home owners and private tenants.

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<sup>54</sup> *English Longitudinal Study of Ageing* (2002) Institute for Fiscal Studies

<sup>55</sup> Communities and Local Government (2008) *Lifetime Homes, Lifetime Neighbourhoods*, London

The link between disrepair and energy efficiency must be made in any future initiatives. There is limited value in insulating a leaking roof, draught proofing rotten doors and windows or leaving older people with new central heating systems in poorly maintained, damp homes.

### **Value for Money Action**

- Any future retrofitting initiatives to address energy efficiency in the existing housing stock should be targeted at the low income, vulnerable, private sector households on an equal footing with the social rented sector and should be linked to addressing major disrepair.
- Existing energy efficiency related programmes need to be more effectively aimed at those in greatest housing need whatever their tenure.

## **Connecting Wider Housing Policy and Ageing**

National housing policies have encouraged owner-occupation amongst lower income households for more than three decades. Home ownership remains the aspirational housing tenure of the majority of people and support for this tenure remains central to the policies of the current administration.

However, there is consideration given to the lifetime costs and responsibilities of owning a home, and very few changes in financial support systems for low income groups in recognition of the shift towards more widespread home ownership.

'The Coalition: our programme for government' states *"We will promote shared ownership schemes and help social tenants and others to own or part-own their home."*

Any such initiatives need to take account of the long term costs and consequences of low income home ownership. They need to incorporate options such as reverse shared ownership in later life, enabling older people to release equity in a more cost effective manner, and shared repair responsibility. Whilst stair-casing out of home ownership will not be the first choice of the majority of owners, it may be a preferable option to other forms of lending available to low income households.

### **Value for Money Action**

- Pioneer a new social equity release initiative for lower income, lower equity home owners.
- Develop new home ownership models for lower income households which enable easier stair-casing in and out as people's financial circumstances change, as well as helping with the cost of repairs and maintenance.

## Connecting Consumer Protection, Ageing and Low Income Home Ownership

The majority of low income, vulnerable, older home owners who are living in poor housing have a single asset – their home.

Whilst greater use of home equity to meet the costs of later life is an understandable policy goal for government, to date the take up has been very limited, for a variety of reasons.

In the current financial climate the private sector has very limited interest in ‘social’ lending, for example, providing small amounts of money for low income householders over an extended period. Yet this is exactly the type of loan product that the lowest income, lower equity, most vulnerable, older home owners need to be able to access in order to meet the ongoing costs of home repairs and maintenance.

The vulnerable ‘older old’ who, as Chapter 1 demonstrated, are the group most likely to be living in poor housing, are the least likely to use commercial loan products. There is an understandable concern about and distrust of debt amongst this group, in addition to considerable issues around lack of financial literacy or even capacity amongst some groups.

For future generations of low income householders with little or no savings, and who are less concerned about borrowing than many of today’s ‘older old’ generations, access to affordable, fair equity release will be a useful option.

Improved consumer protection around lending via independent, impartial information and advice about housing and finance options are critical to vulnerable groups. This needs to be developed alongside more acceptable forms of equity release which are not perceived as debt eg. lending perceived as a repayable ‘grant’ with charges placed on a property.

‘The Coalition: our programme for government’ states: *We will use funds from dormant bank accounts to establish a ‘Big Society Bank’, which will provide new finance for neighbourhood groups, charities, social enterprises and other non-governmental bodies.*’

### Value for Money Action

- National, broad based and specialist information provision, alongside local, impartial advice and help with housing related finance specifically for older people, is critical to enabling older people to make best use of their home equity and limited assets. The successful voluntary sector national initiative, FirstStop<sup>56</sup> housing care advice should be consolidated and expanded.
- Big Society Bank should be part of an initiative to create attractive social lending products aimed at low income, older people living in poor housing.

<sup>56</sup> FirstStop is a national housing and care advice service support for which came from Communities and Local Government as a direct result of recommendations in their strategy, *Lifetime Homes, Lifetime Neighbourhoods: A housing strategy for an ageing society*.

## Connecting Welfare Benefits Policy with Housing and Ageing

Help with housing costs for low income households is based on tenure, with very little help for low income home owners compared with low income tenants.

At a time when low income households outnumber low income tenants, and when extensive policy debates are taking place around fairness and incentivising work and aspiration, a fresh look at housing related help for low income home ownership is long overdue

### Value for Money Action

- The emerging plans for a simplified benefit system need to address the issue of the inequity of financial help for low income home ownership in comparison with help with rental costs.
- There needs to be consideration of a more 'tenure neutral' form of housing costs help, particularly for low income, older home owners.

## Connecting Ageing, Disrepair and Planning

'The Coalition: our programme for government' states *'We will publish and present to Parliament a simple and consolidated national planning framework covering all forms of development and setting out national economic, environmental and social priorities'*.

Planning for an ageing population is one of the most important economic and social priorities of the day. Better planning of homes and environments to enable healthier, independent living across the lifespan are critical to reducing future demand for health and social care.

Planning *'Lifetime Neighbourhoods'* and designing all new housing as 'homes for life' would contribute to a range of related government priorities with regard to an ageing population, including reducing social isolation, encouraging and enabling social involvement and economic activity by older people for longer.

Given the problems of long term affordability of home ownership and the scale of non-decent housing highlighted in this report, the creation of affordable alternative housing for older, low income home owners is essential. Such developments could encourage and enable some older people to move to a home which is more manageable and better for their health and therefore needs to be a planning priority.

### Value for Money Action

- Create a national planning framework which sets addressing population ageing as a priority. This can help to pave the way for improving homes and neighbourhoods, as well as building more aspirational housing, to address demographic change, thereby saving on health and social care expenditure and stimulating housing market activity.



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## About Care & Repair England

Care & Repair England is a national charity established in 1986 to improve the housing and living conditions of older and disabled people. Its aim is to innovate, develop, promote and support housing policies and initiatives which enable older and disabled people to live independently in their homes for as long as they wish.

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