

Quantifying the health benefits of the Decent Homes programme

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Foreword



Public health began with housing: improving the homes and neighbourhoods that were responsible for so many contagious diseases in the nineteenth century. And decent housing that is warm, accessible and affordable remains fundamental to people's health and wellbeing today, and to their ability to achieve and contribute to society.

Decent housing is a preventative service that helps to reduce costs to the NHS, for example, by providing the right environment for people to stay safe and well, to be treated in or closer to home when they are ill, to recover quickly from episodes of ill health after a shorter time in hospital. A warm and accessible home helps to reduce emergency admissions from falls among older people and for children with respiratory problems it can reduce the need for medication and loss of school time – these are just two examples of how better housing can provide greater wellbeing. This publication will add to the body of evidence demonstrating what investment in housing can achieve for people and what it can save other services.

The Chartered Institute of Housing (CIH) was one of the leading voices (with the Chartered Institute of Environmental Health) calling for the development of the Decent Homes standard, to improve the quality of housing and the health outcomes for people living there. In the process, it has also helped to deliver more investment and employment in the construction industry.

The Decent Homes programme commenced in 2001, and the original target, to improve all social housing by 2010, was ambitious. The fact that now, nearly all social housing is at the Decent Homes standard is a huge achievement and we

welcome the UK Government's announcement of capital funds to continue that programme. But we need to remember as well that the original target included improving the 1.3 million homes of vulnerable people in the private sector, an area that has been much harder to address.

So this is a welcome publication, encouraging us to continue to invest in better housing for better health outcomes and reduced health costs. But it is also a reminder that we must not get complacent. A recent CIH survey revealed that 53% of households were restricted in their other spending because of housing costs, and a third were concerned that they would not be able to meet rent or mortgage costs in the next 12 months. These households are likely to reduce their fuel use with potential risks to health. And in 2011/12 there were still 24,000 excess winter deaths.

Perhaps it is time to consider a new Decent Homes standard: one that will address the challenge of carbon emissions and deliver long-term affordable warmth for families. It would be timely medicine for our economic growth too, stimulating further demand for labour in the construction and maintenance industries.

A handwritten signature in black ink that reads "Grainia Long".

Grainia Long
Chief Executive, Chartered Institute of Housing

January 2014

Executive summary

Various evaluations of the 2001–2010 Decent Homes programme have been undertaken, but none so far has been able to quantify the benefits to the health of the people who live in the properties. This report summarises the results of a research project commissioned by BRE Trust to quantify to what extent the improvements to social housing arising from the Decent Homes programme have reduced costs to the National Health Service (NHS) in treating housing-related injuries and illnesses. It uses the same basic methodology developed to calculate the costs of poor housing in England as described in *The real cost of poor housing* (Roys et al, 2010) and summarised in BRE Information Paper 16/10: *Quantifying the Costs of Poor Housing* (Nicol et al, 2010). However, the research reported in this publication also encompasses additional health risks and considers the impact of less serious, but still significant levels, of Housing Health and Safety Rating System (HHSRS) hazards among social sector homes.

The research estimates that total savings to the NHS* as a result of improving social sector homes between 2001 and 2010 are around £392 million. The benefits of dealing with the most serious (Category 1) hazards represent the bulk of the savings to the NHS in treatment costs (£224 million). If social landlords had adopted more of a 'worst first' approach to prioritising

investment, it is likely that the savings would have been even greater. Added to these savings are the annual savings to the NHS going forward. If the social sector stock is maintained so that all decent homes remain decent and free of such hazards, the model estimates that the savings to the NHS could be £71 million per year.

Continued investment in maintaining social sector homes not only makes economic sense, it also results in much broader economic benefits for both individuals and society as a whole. Since 2001 there have been significant reductions in carbon emissions from the social sector stock and also significant reductions in fuel costs (at constant prices) for tenants. Many social rented tenants have, for the first time, been involved in making major decisions about their homes and estates, helping to build community cohesion and a sense of pride in some of the most deprived estates in the UK.

The research also considers what work remains to be done in terms of both dealing with homes that are still non-decent and in ensuring that standards are maintained in dwellings that are currently decent. The English Housing Survey estimates that 759,000 dwellings (20%) of all social sector homes were non-decent in 2010. If adequate money is not invested, then every home that falls into non-decency will start to cost the NHS more. Furthermore, those costs will accrue year after year until the problems are rectified. The estimated costs to the NHS of the Category 1 hazards still remaining in 2010 was £184 million. If additional homes that are currently decent fall into non-decency, then these costs will rise.

* This estimate does not allow for the ongoing costs of not remedying Category 1 and Category 2 HHSRS hazards in the period 2001–2010.

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Abbreviations

ALMO	Arm's length management organisation	EHS	English Housing Survey
BPSA	Business Plan Statistical Appendix	EPC	Energy Performance Certificate
CESP	Community Energy Saving Programme	HHSRS	Housing Health and Safety Rating System
CIH	Chartered Institute of Housing	LSVT	Large-scale voluntary transfer
DETR	Department for the Environment, Transport and the Regions	NAO	National Audit Office
DCLG	Department for Communities and Local Government	NHS	National Health Service
DTLR	Department for Transport, Local Government and the Regions	RSR	Regulatory and Statistical Return
EC	European Community	RTB	Right to Buy
EHCS	English House Condition Survey	SAP	Standard Assessment Procedure
		SWI	solid wall insulation

1 Introduction

In 1997, the UK Government identified the need for urgent long-term investment in social housing, which was suffering from a £19 billion backlog of repairs and maintenance. The Decent Homes programme, set out in the Department for the Environment, Transport and the Regions (DETR) Housing green paper, *Quality and choice: a decent home for all* (DETR, 2000), established a commitment that all social housing would meet specified standards of decency. In 2001, the Office of the Deputy Prime Minister established the Decent Homes standard for all social housing with a target for all social housing to be decent by 2010 (guidance updated by the Department for Communities and Local Government (DCLG), 2006).

The 2006 revised guidance underlined the importance of delivering Decent Homes as part of a holistic approach to wider neighbourhood regeneration objectives such as delivering mixed sustainable communities and improving education and health outcomes. With regards to the latter, there are numerous studies that have investigated the relationship between housing and health outcomes, despite the difficulty in demonstrating a clear 'cause and effect' relationship owing to the number of intervening factors. People in poor housing can often suffer so many types of deprivation that assessing the impact of one risk factor is almost impossible; for example, people who already suffer from ill health may tend to live in poor housing by virtue of their low income.

Nevertheless, there is a large and growing body of evidence linking adverse health effects with poor housing conditions, for example dampness, living in a cold home, and suffering from noise and the fear of crime. Furthermore, there is also a growing body of work seeking to quantify the costs to society of these poor housing conditions, particularly in relation to health care costs. Of particular importance to this research is *The real cost of poor housing* research project (Roys *et al*, 2010). This estimated the financial cost to society of poor housing using the English House Condition Survey (EHCS) data to identify the most serious hazard risks under the Housing Health and Safety Rating System (HHSRS). It then determined the costs to remedy these hazards, and estimated resultant savings to health care costs. This project, together with work that BRE and its partners have undertaken for a consortia of local authorities (Nicol *et al*, 2010) and for Shelter Cymru (Davidson *et al*, 2011) and the Northern Ireland Housing Executive (Davidson *et al*, 2012), has enabled existing modelling techniques to be applied to the total social housing stock.

The National Audit Office (NAO) report on the Decent Homes programme examined the impact of the programme, but did not attempt to quantify some of its achievements (NAO, 2010). It noted the lack of available data which would help identify and quantify the programme's wider benefits, for example to training and job opportunities. The key aim of this research was to quantify how far the improvements to social housing arising from the Decent Homes programme have reduced costs to the



Figure 1: Decent Homes work in progress: installation of double-glazed windows. Photo courtesy of Nottingham City Homes

National Health Service (NHS) in treating housing-related injuries and illnesses.

The key objectives of this work were to:

- estimate the overall net change in the number of homes with Category 1 hazards and higher level Category 2 hazards that failed the Decent Homes standard from 2001 to 2010
- estimate the costs of the work involved in making these homes comply with the Decent Homes standard
- quantify the costs to the NHS of non-decent homes using relevant risks under the HHSRS
- estimate the savings to the NHS arising from making these homes decent over the 2001–2010 period and also the annual savings to the NHS from 2011 onwards
- examine some cost benefits of different types and levels of intervention
- consider some additional costs to society of non-decent homes and the benefits of improving them.

This research, like *The real cost of poor housing*, supports the argument that improving housing makes economic as well as social sense. It demonstrates that sustained housing investment can save money over time, for both social landlords and the NHS. This is especially important given that the Government's target completion date to bring all social sector housing up to a prescribed standard expired in 2010 and it is unclear how the remaining backlog of non-decent homes will be tackled and also how decency standards will be maintained in the future.



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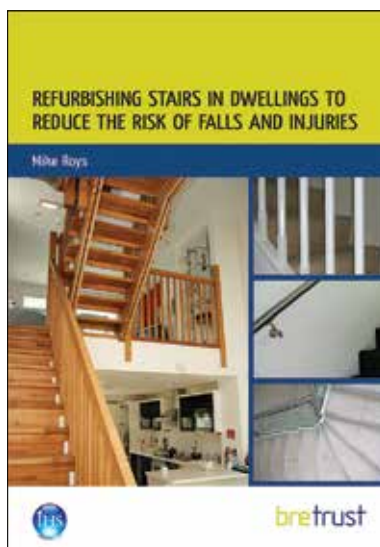
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This report quantifies how much the improvements to social housing arising from the Decent Homes programme (2001–2010) have reduced costs to the NHS in treating housing-related injuries and illnesses. It uses the same basic methodology developed to calculate the costs of poor housing in England described in BRE's 2010 report *The real cost of poor housing*.

The report also discusses:

- additional costs to society of non-decent homes
- the impact of less serious, but still significant, levels of Housing Health and Safety Rating System (HHSRS) hazards
- the work that remains to be done in terms of dealing with homes that are still non-decent
- the importance of maintaining standards in dwellings that are currently decent.



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