
EAST CAMBRIDGESHIRE COUNCIL

**PRIVATE SECTOR HOUSE CONDITION
SURVEY**

Executive Summary



September 2002

Contents

1	Introduction.....	3
	Background	3
	Methodology	3
2	Findings	4
	General Characteristics	4
	Unfit dwellings	5
	Cost of repair	6
	Grants, loans and regulatory reform	6
	Energy Efficiency	7
	Energy Efficiency Improvement	8
	The Housing Health and Safety Rating System	9
3	Conclusions and Policy Implications	11
	General Conclusions	11
	Implications for future policy	11
	Appendix – The Regulatory Reform Order.....	13
	Developing a Private Sector Renewal strategy.....	13
	Requirements of the Regulatory Reform Order.....	14
	Proposals to Address the Requirements of the RRO	16

1 Introduction

Background

- 1.1 In 2002 the East Cambridgeshire District (private sector) House Condition Survey (ECHCS) was carried out. This survey was done in order to determine the condition of housing within the district, to predict the likely level of grant demand from dwellings with disrepair issues and to calculate the energy efficiency level of the dwelling stock. It also aimed to assess the extent of hazards within dwellings in the district under the new Housing Health and Safety Rating System (HHSRS).
- 1.2 The results of the survey were presented in the Private Sector Stock Condition Survey Report, which also drew conclusions on the basis of the findings as well as making recommendations regarding the direction of future initiatives and investments in private sector housing. This executive summary aims to present the most pertinent findings and conclusions from the study.

Methodology

- 1.3 A random sample of dwellings was drawn from which 800 full inspections (internal, external, energy efficiency, social and HHSRS) were completed. These dwellings were then weighted according to area, age and tenure so that they would be representative of the dwelling stock as a whole.
- 1.4 Please note that figures in this report are rounded totals as the data is based on a sample survey.

2 Findings

General Characteristics

2.1 The condition of housing stock is largely dependent upon the basic characteristics of dwellings and the people living in them. Given below is a summary of the key findings relating to the general aspects of houses and flats within the district as well as the nature of the people therein.

- The survey found that there are 31,100 private sector dwellings in East Cambridgeshire.
- Generally dwellings are more modern with 54% built after 1964 compared to only 37% nationally.
- There are more detached houses than any other type (44%), but there are also many semi-detached houses (34%).
- East Cambridgeshire has a smaller proportion of owner occupied dwellings, which represent only 71% of the stock compared to 83% nationally. The main reason for this is the transfer of the Council's own stock resulting in housing association dwellings representing 19% of the stock.
- Most housing association dwellings were built after 1945, but most privately rented dwellings were built before 1919. This is the same pattern as is found nationally.
- The Council's own figures suggest around 300 (1%) dwellings were long-term vacant at the time of the survey. The survey found approximately 350 such vacant dwellings, but at this low level there is no significant difference between these figures.
- The survey looked at three areas: Littleport and the North of the district; Ely and the central part of the district and finally the South part of the district. Littleport had the oldest stock and the most terraced houses both items usually associated with poor conditions.

2.2 During the survey occupiers were asked a number of questions by the surveyors, which were then used to determine the type of people living in the district.

- Households in East Cambridgeshire tend to be older with 8% fewer heads of household under the age of 50 than is found in England as a whole.
- Dwellings with adult couples (including older couples) and traditional families are more commonly found than is the case nationally and there are correspondingly fewer single adults; single parent families; large groups of adults in one dwelling and single older people.

Unfit dwellings

- The proportion of households with low income (less than £10,000 per annum) is high at 35% and 20% of households report receiving an income related benefit.
 - A resident with a disability was reported in 22% of dwellings compared to 14% nationally, but this includes frail older persons.
- 2.3 All dwellings surveyed were scored on the Housing Fitness Standard which looks at eleven areas to determine whether a dwelling is fit for human habitation: structural stability, disrepair, dampness, ventilation, lighting, heating, WC, bath/shower, food preparation, water supply and drainage. Any dwelling that is not up to standard on one or more of these points is considered to be unfit.
- There are an estimated 1,800 unfit dwellings in East Cambridgeshire representing 6% of the stock compared to 7% nationally.
 - The most common reasons for failure were disrepair and food preparation, which follows the trend for England as a whole.
 - 51% of unfit dwellings have multiple problems compared to just 38% nationally. This tends to suggest that where dwellings are unfit they are in a worse condition.
 - As is the case nationally, the oldest dwellings are the most unfit and converted flats are also associated with poor conditions. Fortunately, there are only a small proportion of converted flats in the district, concentrated mainly in Ely.
 - As is usually the case privately rented dwellings have the highest rate of unfitness. Unusually, however, housing association dwellings are above the national average of 5% at 7% in East Cambridgeshire, though this is down to the transfer of all local authority dwellings to this tenure.
 - Littleport and North district has the highest rate of unfitness at just over 7% compared to below 7% for South district and around 4% for Ely and the central part of the district.
 - The usual association of unfit dwellings and older heads of household exists with the highest rate for the over 75s at 12%.
 - Dwellings where people are on low incomes are also more likely to be unfit, as 67% of all unfit dwellings are found where household incomes are below £10,000 per annum.
- 2.4 For each dwelling the cost of carrying out repairs is calculated. These costs are examined next but it is worth noting the cost to remedy unfitness at this stage.
- The total cost to bring all unfit dwellings up to a good standard would be £21million or £11,700 per dwelling.

Cost of repair

2.5 The cost of repairs to dwellings can be expressed in a number of ways. In this report the three most pertinent costs are used: urgent costs, which look at repairs to all items needing work immediately; comprehensive costs, which cumulate all costs for the next 10 years; and standardised cost which look at all five year costs, but take into account the size of the dwelling.

- The average urgent cost per dwelling is below the national average at £540, a total of £8million for East Cambridgeshire as a whole.
- Comprehensive costs average £3,600 per dwelling, which is about the same as the national average. This level of work represents a total expenditure requirement of £112million for the whole of the district.
- Standardised costs at £12.50 per square meter are well below the national average, which is largely as a result of the much more modern stock of the district.
- Repair costs in all categories follow the usual trend of increasing costs of repair, as dwellings get older. Urgent costs are particularly high for pre 1919 properties at £1,500 per dwelling.
- Converted flats have the highest mean repair costs followed by terraced houses, which is the same pattern as is found nationally. The high repair costs for converted flats is a reflection of their age and the level of unfitness.
- The pattern of repair for building elements in East Cambridgeshire is very similar to England as a whole with around 70% of repair being for the exterior fabric of the dwelling and most of this being for walls, windows and roofs.
- Littleport has the highest repair costs by area for all repair categories.

Grants, loans and regulatory reform

2.6 Having examined the cost of repair to dwellings in East Cambridgeshire it is useful to consider the ability of residents to afford these repairs. Traditional grants have been made available to vulnerable occupiers and those on low incomes. Under the new Regulatory Reform Order (RRO), however, it will be up to the local authority to determine how assistance will be made. If grants are to be made available the authority will have to set aside or raise funding to create such grants. Loans and equity release schemes are also suggested under the RRO and it is up to each authority to decide what combination of assistance it will offer.

2.7 A useful starting point is to consider that the authority will still be obliged to remedy unfitness, reduce fuel poverty and provide for the most vulnerable members of society. With this in mind the potential demand in these areas was calculated and the results are as follows:

- The potential demand for repairs to unfit, owner occupied dwellings is currently £12.3million. If a test of resources is applied this figure drops to £7.1million, a relatively small reduction as the majority of

unfit dwellings are occupied by residents where household income is low.

- Home Repair Assistance grants (HRAs) allow for up to £5,000 worth of urgent repairs to be carried out on dwellings occupied by older persons on benefit. If all relevant repairs to such dwellings were carried out in East Cambridgeshire the total cost would be £772,000.
- Discretionary grants for energy efficient measures have traditionally been a means for tackling fuel poverty. The total potential demand to improve energy efficiency in dwellings lacking adequate measures would be £4.5million.
- The total expenditure to remedy unfitness, provide urgent repairs for the most vulnerable occupiers and to tackle fuel poverty would be £12.4million.

2.8 Local authorities' statutory duty to remedy unfitness, their obligations under the Home Energy Conservation Act and their likely future need to make all dwellings 'decent' under the Decent Homes Standard, will require the above costs to be met. It will be up to individual authorities to decide how to prioritise this work and how it will be funded and to present these decisions in the form of a strategy and policy for the private sector based upon the new Regulatory Reform.

Energy Efficiency

2.9 By collecting data on a series of variables, including heating systems, insulation and dwelling dimensions, it is possible to calculate the energy efficiency of a dwelling. The level of energy efficiency can be given as a rating, between 0 and 100, using the government's Standard Assessment Procedure or SAP rating.

- The average SAP rating for dwellings in East Cambridgeshire is 50 compared to 44 for England as a whole. The difference is due largely to the more modern stock found in the district.
- 1,600 (5%) dwellings have a SAP rating below 20, which is considered a basic minimum requirement; this is well below the national average. Such dwellings, however, need to be improved if they are to provide an adequate degree of thermal comfort.
- Detached houses have the second lowest average SAP rating, due to having a large exposed surface area. Converted flats have the lowest rating, which in their case is due to poor provision of heating systems and insulation.
- Privately rented dwellings have the lowest SAP ratings, which is mainly due to the prevalence of older dwellings and dwellings with inadequate heating provision.
- 1,700 dwellings (5% of the stock) have no loft insulation and a total of 7,100 (24%) have less than 140mm of insulation. These dwellings represent an obvious target for improvement.
- 3,700 dwellings (12% of the stock) could usefully have cavity wall insulation installed.

Energy Efficiency Improvement

- No insulation to hot water cylinders was found in 380 (1%) dwellings. A further 3,800 (12%) had less than 25mm of jacket insulation. Both of these groups give potential for improvement.
 - Central heating is present in 29,700 (96%) dwellings, which is a very high proportion compared to the 88% found nationally. This definition includes electric storage heaters and warm air systems.
 - 89% of private rented dwellings have central heating systems, giving more scope for improvement than other tenures.
 - Lower energy efficiency levels are found in dwellings where household incomes are low. Occupiers of these dwellings will be unable to afford to heat them properly given their low incomes and such dwellings will be in fuel poverty.
- 2.10 By running scenarios on the survey data that examine the effects of adding insulation, new heating systems and other energy efficiency improvement measures, it is possible to gauge the degree of improvement that is possible. The analysis carried out looked at 4 different groups: those dwellings where the occupiers were in fuel poverty but not eligible for works under the Warm Front scheme (formerly HEES); those dwellings with an older occupier or occupier on benefit; all dwellings, but with a reduced scheme excluding heating systems and finally, all dwellings.
- 2.11 There are a number of ways to quantify reductions in energy consumption, but for the purposes of this report two will be examined. Firstly the actual reduction in energy consumed, based on Kilo Watt Hours, and secondly, the payback period, or the length of time it takes to recoup the money spent on things like insulation, by the savings such measures make in fuel bills.
- To carry out all measures to all dwellings would cost £12.5million.
 - Very few dwellings are in fuel poverty and not eligible for assistance under Warm Front. The reduction in energy consumption that they would produce is only 0.1%.
 - Older residents and those on benefit represent a much larger group. Targeting these occupiers would reduce energy consumption by 7.6% across the district and the cost of carrying out the works would be paid back in 3.6 years.
 - Targeting all dwellings, but excluding heating systems, would cost £9.5million to implement, but would reduce energy consumption by 15.7% and have a payback period of 3.7 years.
 - Carrying out all measures to all dwellings would reduce energy consumption by 19.4% and have a payback period of 3.8 years.

**The Housing
Health and Safety
Rating System**

- 2.12 Targeting all dwellings would not produce a reduction of the required 30%, however, some improvement will have been made already since the 1996 Home Energy Conservation Act was passed. The already high provision of central heating reduces the potential for improvement, as can be seen for the last two groups above. It would be reasonable for East Cambridgeshire to argue that the 30% is not achievable due to an already high level of energy efficiency. It is still the responsibility of the authority however, to try and reduce energy consumption and the upgrading and installing of loft, cavity wall and cylinder insulation would be a cost effective means of moving towards that goal.
- 2.13 In 1999 the DTLR piloted a new system for assessing dwellings with regard to the degree of hazard they create for their occupiers. The intention is for the new standard to ultimately replace the current fitness standard. Problems with the system have led to reviews and it is not certain at this stage when it will come in to place. In the intervening period collecting the data will provide useful information as a baseline for the future.
- 2.14 The 2002 East Cambridgeshire survey adopted the reduced scheme for recording hazards used by the 2001 EHCS. This scheme records the main hazards that constitute 99% of all hazards, these being: falls on the stairs, falls on the level, falls between levels, hot surfaces & materials and fire. Two further hazards: excessive cold and damp & mould growth were modelled from the remaining survey data.
- 2.15 Surveyors score hazards where they notice faults in building elements relating to the above categories (e.g. narrow or steep staircases, loose floorboards etc). The hazard is scored on the basis of the likelihood that someone will have an accident coupled with how bad that accident might be. This information is then used to generate a score. Scores over 1,000 are considered 'serious' and are an unacceptable level of risk to the occupiers.
- 9,500 (31%) dwellings in East Cambridgeshire contained hazards, the total number of hazards identified being 12,700.
 - Within the 9,500 dwellings with a hazard were 2,100 (7% of the overall stock) with serious hazards.
 - 24% of dwellings with a serious hazard had more than one serious hazard. Much like unfitness, though there are a relatively small number of dwellings with serious hazards, a substantial proportion of those have multiple failures.
 - By far the most common hazard was excessive cold (1,600 dwellings with a serious hazard). The hazard in this case is that vulnerable residents may suffer health problems caused by living in dwellings that are too cold.
 - There are a relatively small proportion of the remaining hazards and these are distributed widely across the district.

- Serious hazards tend to follow the same pattern as unfitness being most associated with older dwellings, with the private rented sector and with those residents on low incomes or who are older residents.
- Serious hazards are also, not surprisingly, directly linked with unfitness in that dwellings where a serious hazard occurs are much more likely to also be unfit.
- The area of Littleport and the North District has the highest rate of serious hazards matching the finding for unfitness.

3 Conclusions and Policy Implications

General Conclusions

- 3.1 The dwelling stock of East Cambridgeshire is more modern than is the case nationally. It is predominated by detached houses and owner occupied dwellings, the only exception being the high proportion of housing association dwellings, which is a result of the transfer of the authorities own stock.
- 3.2 Occupiers of dwellings in East Cambridgeshire tend to be older than is the case nationally, but there are more traditional families and fewer single parents and groups of adults sharing dwellings.
- 3.3 The profile of the dwelling stock and its occupiers would tend to lead to expectations of slightly better than average housing conditions, and this is the case with 6% of dwellings being unfit compared to 7% nationally. The average cost to repair dwellings in the short term is also lower, but over a longer period (10 years) repair cost are likely to increase significantly unless continued maintenance is carried out on an ageing stock.
- 3.4 There is currently a demand for repair and improvement to private sector dwellings of £12.4million. This total is the figure taken, after means testing, which would have been required for Renovation, Home Repair Assistance and Energy Efficiency grants.
- 3.5 Dwellings, on average are far more energy efficient than is the case nationally, but this is due largely to a good provision of heating systems. There is still considerable scope for improving energy efficiency through insulation measures to lofts, cavity walls and hot water cylinders.
- 3.6 Achieving high targets for energy efficiency will be difficult given the already high levels of efficiency, but the provision of insulation measures is relatively cheap on a per dwelling basis and can therefore be recouped in a relatively short period of time.

Implications for future policy

- 3.7 In the appendix to this summary is contained a summary of the Regulatory Reform Order along with its implications and action that local authorities must now take. It is in light of this that the following issues, based on the physical evidence from the survey, are examined.
- 3.8 The key determining characteristics in East Cambridgeshire are:
 - More modern and widely distributed stock.
 - Older households and more households on low incomes.
 - Fewer poor houses that are mainly scattered
 - Longer rather than shorter term housing problems

- 3.9 Given that housing issues in East Cambridgeshire are largely associated with dwellings distributed across most of the district, policies cannot be based upon targeting specific streets or neighbourhoods.
- 3.10 It is worth noting at this stage that the majority of failures under the HHSRS were for dwellings with excessive cold. The indications from the ODPM are that the Decent Homes Standard will be rolled out to the private sector and most recent studies have shown the majority of dwellings failing the standard do so because of lack of thermal comfort. Finally, the authority still has obligations under HECA to reduce energy consumption.
- 3.11 It seems clear, therefore, that a policy, which tackles improvements in energy efficiency, will produce results compatible with three different pieces of legislation. On this basis any strategy under RRO should address energy efficiency.
- 3.12 Beyond this, creating assistance and opportunities for vulnerable groups to improve their housing circumstances will also fulfil requirements on Service Delivery Agreement, the RRO and the HHSRS.
- 3.13 The policy issues faced by East Cambridgeshire seem clear, a need to tackle a number of individual problems rather than major 'blocks' of regeneration. The implication of this, however, is that much work will be required to identify individual dwellings and to make residents aware of schemes and opportunities, as it is unlikely that, given current resource levels, identification of and action on 'scattered problem dwellings' will be achievable.

Appendix – The Regulatory Reform Order

The 2002 ECHCS provides the Council with a robust “Evidence Base” of the physical and social characteristics of a major part of the private sector housing stock of the District.

We have mentioned previously that the underlying legislation governing Private Sector Renewal is in the process of substantial change. The Housing Green Paper, published in April 2000 (Quality and Choice: A Decent Home For All) and the policy statement subsequently issued in December 2000, introduced the Government's thinking on the reform of various policy issues relating to private sector housing renewal.

Following a consultation period in June of last year, the Government published its proposals in December 2001 as the “Regulatory Reform (Housing Assistance) (England and Wales) Order 2002”. The order, which came in to force on the 18th July 2002, has the effect of repealing and revising significant parts of the Housing Grants, Construction and Regeneration Act 1996, the Local Government and Housing Act 1989 and the Housing Act 1985. Non-statutory guidance was published at the time of the guidance and is available from the Office of the Deputy Prime Minister.

From the order coming in to force, Local Authorities have a 12-month "window" in which to draw up and publish a private sector housing policy in accordance with the requirements of the Order. Failure to do so will mean that existing powers listed under the above mentioned Acts will lapse and the Authority would be faced with a scarcity of legislative arrangements to intervene in housing matters.

The policy tools available to Councils to intervene in private sector housing matters have hitherto been prescriptive and enshrined in national legislation. Existing legislation (and supporting statutory guidance) sets out a *national* framework within which Councils *must* operate. The arrangements now proposed by The Regulatory Reform Order are fundamentally local “enabling powers” that offer *flexibility* for the Council to adopt *local* arrangements that suit *local* circumstances.

With the power comes a requirement to link Private Sector Renewal policy into wider corporate strategic and regeneration agendas. The Government's view is that Councils should act more strategically, reflecting local priorities and intervening in a range of imaginative ways, using budgets drawn from a variety of sources, to include not just grants but also loans, providing materials, providing advice and information, accessing private finance and other funding options from within other sector's budget areas.

The Private Sector Renewal Strategy will therefore need to be an integral part of the Council's corporate policies and priorities. It will need to inter-relate with strategies addressing Health Issues, Crime and the Fear of Crime, Regeneration, "Supporting People" and related inter-agency initiatives.

The replacement powers the Order introduces therefore mark a "step change" in housing renewal thinking and policy, moving away from a national grant led process towards a locally determined process involving a range of assistance measures set within the context of a looser national framework.

The RRO therefore presents the Council with both an opportunity and a major task. The most significant and pressing priority for the Council is the requirement within the Order that each Council must prepare a detailed Private Sector Renewal Strategy within 12 months of the date of the Order coming into being (by 18th July 2003). The strategy must be formally "adopted" by the Council, be published in full and summary form, be made available for inspection (full version) and be posted to all who request a copy (summary form). The strategy also needs to be approved by the Secretary of State (via the Government Regional Office) before the new powers are conferred.

Therefore, If the Council has not consulted upon, prepared, adopted and published a strategy within the 12-month "window", before existing powers lapse they will lose all access to most Private Sector Renewal powers (except mandatory Disabled Facilities Grants, which continue under a national framework).

Requirements of the Regulatory Reform Order

In précis form the requirements the Order and of matters covered by it include: -

The Council may provide assistance for the purpose of improving living accommodation in their area: -

- To any person (to include private sector and Registered Social Landlords)
- Assistance may be provided directly or indirectly for, Repair, Improvement or adaptation of living accommodation, demolition and rebuilding

The Council may help a person to acquire accommodation in any area where: -

- The Council is planning to acquire that person's living accommodation, or
- The new accommodation would better meet the needs of that person in comparison to improving or adapting the existing dwelling.

To use the new powers the Council must first: -

- Devise and formally adopt the strategy through the Council's decision making machinery
- Publicise it extensively throughout the locality

- Have the full policy document accessible for public inspection and scrutiny
- Have a summary of the policy available for members of the public

The key principles of the Council's strategy must be: -

- Clear/unambiguous
- Reasonable and fair (including conditions/contributions)
- Provide a balanced approach to assistance
- Offer proper information to support loan applications

The Order requires that the Council observe a range of safeguards / protections when using the new powers, including: -

- Having regard to a person's ability to afford the required contribution.
- Setting out in writing, terms and conditions of the assistance and any loan and satisfy themselves that the person is aware of the financial commitment.
- Satisfying themselves that the owner has consented to the assisted works.
- Getting the participants consent before varying any works or conditions.
- A requirement that the PSR policy identifies how strategic aims and objectives will be turned into actions and outputs.

Some of the issues to be considered include: -

- The strategic context
- The resources available
- The issues and needs of the area
- The priorities - area based or customer focused
- The partners that will be part of the strategy
- The information base that will be required to prepare the strategy
- The requirement for the policies to be evidence based and crosscutting
- The issue that "bricks and mortar" alone will not determine future policy
- The requirement for information gathering to be ongoing to continually inform and update the strategy
- The need to incorporate a customer focus
- The various tools and techniques that will be required to gather information
- The need to shape assistance within available resources
- The need to align assistance and outputs with strategic visions / aims / objectives / priorities

The minimum content requirements for the full strategy document is set out in the Order and includes such matters as: -

- The context for assistance
- Its contribution to strategic aims and objectives
- A description of issues/needs and the extent to which they will be addressed

**Proposals to
Address the
Requirements of
the RRO**

- How assistance is prioritised
- Details of assistance proposed including, eligibility, contribution, maximum amounts, application process, arrangements for advice, applications outside the policy, complaints and appeals
- A requirement to state an outline of:
 - Service standards
 - Performance indicators and targets
 - Reporting arrangements to monitor and review policy implications and implementation

The priority for the Council must now be to:

- Develop a Private Sector Renewal Strategy that meets the requirements of the Regulatory Reform Order
- Formally adopt the strategy through the Council's decision-making process.
- Agree the strategy with the Government Office and seek approval under the terms of the Order
- Publish the strategy in accordance with the requirements of the Order

Clearly this is a major challenge and requires a level of dedicated resource to develop proposals and to bring forward a detailed strategy supported by a practical action plan. The whole process will require some tough decisions to be made about what the Council's priorities are, and where, how, why and to what extent it chooses to offer assistance. It is clearly a process that has a political dimension and one that the Councils Executive will want to keep under scrutiny.

It is recommended that an Officer Working Group be established (supported by an expert consultant) to develop a private sector renewal strategy and to document it in the terms required by the Order. The Group would comprise officers from a range of disciplines and perhaps other Agencies, for example the Police, the Social Services Authority, The Primary Care Trust and RSL's. The Group should appoint a "PSR Champion" to act as the lead officer.

The group will need to adopt a rational decision making process as all proposals will be subject to scrutiny, not only by the Agencies concerned but also the Audit Commission, Government Office, and the public at large.